

FBIS

DAILY REPORT

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U.S., USSR MEET ON NONPROLIFERATION TREATY

OW171652 Beijing XINHUA in English 1507 GMT 17 Apr 85

[Text] Helsinki, April 17 (XINHUA) -- The United States and the Soviet Union today continued their talks here in Finland's capital on the nuclear nonproliferation treaty.

The meeting, which began Monday, marked the fifth round of talks on the problems of nuclear proliferation since December 1982. The previous ones were held in Moscow, Washington and Vienna.

This round of talks, which is being held in the U.S. and Soviet Embassies here, is mainly focused on implementation of the treaty and preparations for the scheduled meeting this September in Geneva on modification of the treaty. The meeting will close on April 19.

PRC, U.S., THAILAND SET UP JOINT GLASS COMPANY

OW121758 Beijing XINHUA in English 1650 GMT 12 Apr 85

[Text] Shenzhen, April 12 (XINHUA) -- A 100 million U.S. dollar joint venture between China, the U.S. and Thailand held its ground-breaking ceremony in Shekou industrial area in Shenzhen Special Economic Zone, Guangdong Province.

The Guangdong Float Glass Company Ltd. will be the largest Sino-foreign joint venture so far started in Shenzhen, where special policies are pursued to attract Hong Kong, Macao and foreign investment.

It will use the technology directly transferred by PPG Industries Inc. of the United States which, according to Shenzhen officials, is recognized as the world's leading glass manufacturer.

One party to the joint venture is Pennvasia Ltd., which is incorporated in Hong Kong and owned by PPG and Overseas Chinese in Thailand. The other is China Southern Glass Company Ltd. in Shenzhen.

The joint venture, to go into operation in 1987, will produce plate glass, tinted glass and reflective glass. Half of the products will be sold in China and the other half, on foreign market, according to local officials.

PRC TRADE WITH USSR, EASTERN EUROPE INCREASES

HK140804 Beijing GUOJI SHANGBAO in Chinese 4 Apr 85 p 1

[Report by contributing correspondent Li Changshou: "China's Trade With the Soviet Union and the East European Countries Has Increased in Recent Years"]

[Text] The Soviet Union and the East European countries, which have long maintained traditional trade relations with our country, have achieved further growth in their economies and trade in recent years. In 1984, the volume of our country's trade with the Soviet Union, Romania, Poland, Hungary, Czechoslovakia, Democratic Germany, and Bulgaria totaled 6.774 billion Swiss francs.

Bilateral trade between China and the Soviet Union and between China and the East European countries takes the form of barter trade and uses Swiss francs for settling accounts. While implementing annual trade agreements, the parties involved have also done some supplementary trading according to their needs and capabilities.

Last year, our country's volume of trade with the Soviet Union was 2.65 billion Swiss francs; with Romania, 2.2 billion Swiss francs; with Poland, 499 million Swiss francs; with Hungary, 273 million Swiss francs; with Czechoslovakia, 626 million Swiss francs; with Democratic Germany, 404 million Swiss francs; and with Bulgaria, 121 million Swiss francs.

The main items that our country exports to these countries are: cereals, edible oil, foodstuffs, local and animal products, light industrial products, textile products, metalware and mineral products, and other commodities in raw material form. In the wake of several years' bumper harvests in succession, we began to export such farm products as rice and soybeans to some countries this year.

The main items we import from the Soviet Union and the East European countries include coal mining equipment, oil drilling machines, locomotives, automobiles of different types, concrete mixer trucks, textile machinery, scientific instruments, medical apparatus and instruments, steel, urea, compound fertilizer, caustic soda, lumber, copper, lead, and so on.

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UNITED STATES

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SONG JIAN LEAVES FOR U.S., CANADA SCIENCE TOUR

OW130802 Beijing XINHUA in English 0720 GMT 13 Apr 85

[Text] Beijing, April 13 (XINHUA) -- Song Jian, minister in charge of the State Science and Technology Commission, left here today for the U.S. to attend the fourth meeting of the Sino-U.S. Joint Committee on Scientific and Technological Cooperation. Song is also the co-chairman of the joint committee.

During the meeting, the two sides will exchange views on further scientific cooperation between the two countries and sign a new agreement on cooperation.

At the same time, at the invitation of the Canadian Ministry of State for Science and Technology, Song is to lead a Chinese science delegation to Canada later in the month.

Seeing him off at the airport were Teng Teng and Yang Jun, vice-ministers in charge of the commission, and Arthur W. Hummel, American ambassador, and Richard V. Gorham, Canadian ambassador here.

Meets With U.S. Science Group

OW171650 Beijing XINHUA in English 1639 GMT 17 Apr 85

[Text] Washington, April 16 (XINHUA) -- The fourth session of the Sino-American Commission on Cooperation in Science and Technology ended here today with several new agreements between the two countries. At the two-day meeting, Chinese Co-chairman Song Jian, chairman of the Chinese State Science and Technology Commission, discussed with U.S. Co-chairman George A. Keyworth, science advisor to the U.S. President, on a practical joint action to increase Sino-American cooperation in science and technology. Other members of the two groups reviewed and exchanged views on the activities under a Sino-American agreement on cooperation in science and technology.

At the end of the session, they signed a protocol on cooperation in fossil energy between the Chinese Ministry of Coal Industry and the U.S. Department of Energy, and another cooperation protocol on mapping and charting. After the signing ceremony, U.S. Vice President George Bush met with Song Jian and his party.

The five-year Sino-American agreement on cooperation in science and technology was signed here in January, 1979 when Chinese leader Deng Xiaoping visited the United States. It was later extended according to a new agreement reached between the two countries during Premier Zhao Ziyang's tour in the United States in January 1984. Under this agreement, the joint commission meets every other year. Under the agreement, some 400 scientific and technological projects have been undertaken, covering 24 sectors including agriculture, atmosphere, seismology, water power, aeronautics, space, transportation, environment and nuclear physics.

KANG KEQING MEETS CHILD DEVELOPMENT EDUCATORS

OW171916 Beijing XINHUA in English 1854 GMT 17 Apr 85

[Text] Beijing, April 17 (XINHUA) -- Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and chairman of the Chinese People's National Committee for the Defence of Children, met a group of U.S. child development educators here this evening. The U.S. group, led by Alexander Yeh, a division adviser of the Department of Education of California, came here to hold discussions with their Chinese counterparts. Kang hosted a dinner for the visitors after the meeting.

DPRK GROUPS URGE NORTH-SOUTH ASSEMBLY TALKS

OW171234 Beijing XINHUA in English 1034 GMT 17 Apr 85

[Text] Pyongyang, April 17 (XINHUA) -- Leaders of the major social organizations of the Democratic People's Republic of Korea (DPRK) unanimously endorsed the proposal for North-South assembly talks put forward on April 9 by the DPRK Supreme People's Assembly.

The organizations -- the Committee for the Peaceful Reunification of the Fatherland, the Democratic Front for the Reunification of the Fatherland, the Socialist Working Youth League of Korea, the Korean Journalists' Union and many others -- assert that the joint talks would improve North-South relations and promote peaceful reunification.

The two sides, the leaders urged, should adopt conciliatory attitudes for a peaceful life rather than hatred and confrontation.

Although reunification of the fatherland does not seem possible in the near future, the organization heads recommended that the two sides halt military confrontation and seek reconciliation and national unity despite their different social systems and ideologies.

Calling on the South Korea's National Assembly to agree to the proposal, the leaders also offered to cooperate with social organizations and people from all walks of life in South Korea as well as overseas Koreans to press for the joint assembly talks.

SINO-JAPANESE LEASING COMPANY TO SERVE SHANGHAI

OW151902 Beijing XINHUA in English 1855 GMT 15 Apr 85

[Text] Shanghai, April 15 (XINHUA) -- A Sino-Japanese leasing company will be formed to help technical renovation of existing enterprises in the Shanghai economic zone, according to a contract signed here today.

The China Pacific Leasing Company will be a joint venture established by the Shanghai Foreign Trade Corporation, the China Leasing Company, the Trust and Investment Company of the Industrial and Commercial Bank of China, the Japan Leasing Corporation and the Long-Term Credit Bank of Japan.

The new leasing company will be responsible for importing technology and raising funds for upgrading enterprises in the Shanghai economic zone which also covers parts of Jiangsu, Zhejiang, Anhui and Jiangxi Provinces. It will also handle overseas business.

Since opening to the outside world, China has established a dozen leasing companies, most of them being Chinese-foreign joint ventures.

Last year, the China Leasing Company did 120 million U.S. dollars of business, twice as much as in 1983. Chinese banks in various parts of the country did 800 million yuan's business in leasing last year.

Tetsuo Nishio, president of the Japan leasing company, said at the signing ceremony today that leasing would play an important part in China's modernization program.

His company, the largest of its kind in Japan, concluded deals worth 80 million U.S. dollars with China in 1984, Nishio said.

Mayor of Shanghai Wang Daohan attended the signing ceremony.

FURTHER ON HU YAOBANG'S SOUTH PACIFIC TOUR

Meets Australian Businessmen

OW171647 Beijing XINHUA in English 1628 GMT 17 Apr 85

[Text] Canberra, April 17 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang had an informal discussion lasting more than two hours with people from Australia's business community this morning before leaving the nation's capital for Sydney.

Participants explored ways of further consolidating and developing economic cooperation between China and Australia. The discussion, held in the Parliament House, was presided over by Prime Minister Robert Hawke. Among the 20 Australians present were members of the Advisory Committee on Economic Planning and industrialists and bankers.

Hu Yaobang delivered a speech at the beginning of the meeting in which he tentatively put forward the idea of quadrupling Sino-Australian trade, which stands at around one billion U.S. dollars currently, in the remaining years of this century.

After Hu's speech, twelve Australians spoke, representing the manufacturing, mining and wool industries, traders, bankers and trade unionists. In briefing the Chinese journalists covering the trip, Ma Yuzhen, director of the Information Department of the Chinese Foreign Ministry, said that the discussion was conducted in a very friendly and lively atmosphere. The Australian industrialists who spoke all welcomed Hu's visit to their country and reviewed with satisfaction the growth of business with China in their own industries, Ma said.

A National Trade Union Council leader stated that the trade unions fully supported the Australian Government's policy of expanding economic cooperation with China.

The president of the Australian Wool Corporation told the Chinese that apart from continuing to sell wool to China, Australia was ready to get involved in the transfer of technology to the Chinese wool industry.

The president of the manufacturers's association told the meeting that Australian manufacturers recognized the need to modernize their enterprises in order to be competitive. He also indicated the desire to provide China with expertise.

The chief executive of a large mining company said he saw the great potential of cooperation in his field and would consider how to further expand cooperation with China.

A banker indicated that he would provide financial support to the cooperation between the two countries in such fields as rail and water transport and power generation. An oil company executive suggested that China should step up studies on markets and marketing techniques and improve packaging.

Many noted the need to expand contacts between Chinese provinces and Australian states and said they hoped to play a more active role. At present, the provinces of Jiangsu, Guangdong and Fujian and the municipality of Tianjin have paired up with the states of Victoria, New South Wales and Tasmania and Melbourne City respectively. Some also pointed out that medium and small enterprises should also participate in China's modernization process.

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Speaking toward the end of the meeting, Hu Yaobang said that his current visit had made him even more aware of the great future of Sino-Australian economic cooperation. He said that cooperation in mining, iron and steel, and wool should be strengthened and assured those present that it would continue for a long time.

On the question of setting up joint ventures in iron and steel, he said he hoped the parties involved would reach an early agreement on the basis of taking each other's interests into full account.

Hu Yaobang also spoke in favor of initiatives to help China train management personnel.

Prime Minister Hawke said that the discussion was proof that the Australian Government, enterprises, and trade unions were all prepared to make their ties with China in economic cooperation closer.

Meets New South Wales Premier

OW171953 Beijing XINHUA in English 1944 GMT 17 Apr 85

[Text] Sydney, April 17 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang called on Neville Wran, premier of New South Wales State, at the state Parliament House here this afternoon.

Hu Yaobang was asked to sign, together with Chairman of Caltex Australia John Landels and Premier Wran, a document commemorating the shipment to Australia of 35,000 barrels of heavy oil from China's Daqing. This could open the way for China's oil export to Australia, meeting a request from China to reduce its trade deficit with Australia.

Earlier this afternoon, Hu Yaobang and his party visited Dixon Street, the site of the Chinese community in Sydney. Streamers across the street, 200 meters long, were inscribed with slogans such as "Warmest welcome to General Secretary Hu Yaobang." When the party leader's motorcade slowly drove past, hundreds of cheerful people of Chinese origin lining the street waved paper flags of China and Australia as greeting.

The Chinese guests then boarded a boat to have a cruise in Sydney harbor.

Hu Qili Addresses Chinese Group

OW180318 Beijing XINHUA in English 0256 GMT 18 Apr 85

[Text] Sydney, April 17 (XINHUA) -- The Chinese Government hopes that the Chinese community in Australia unswervingly uphold Sino-Australian friendship and live in harmony with the Australian people from generation to generation.

At a banquet given by the Chinese community here this evening, Hu Qili, member of the Secretariat of the CPC Central Committee, who is accompanying Chinese Communist Party General Secretary Hu Yaobang on a visit to Australia, said that "you are residing in Australia, a country very friendly to China. We in China are willing to develop long-term and stable relations of friendship and cooperation with Australia. This not only serves the interests of the two peoples but also makes for peace and stability in the Asian-Pacific region."

He said, "Today, there are over 100,000 Chinese living in Australia. They have carried forward the fine traditions of the Chinese nation and won acclaim and respect of the Australian people. We are glad to learn that Dr Victor Chang, who enjoys high prestige across the country for his dedication to the medical profession and superb skills, has been nominated and awarded as 'Australian of 1984'."

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After briefing the participants on China's good political and economic situation in recent years, he passed on a message by Hu Yaobang to invite them to visit China and their relatives and friends and see for themselves the gratifying changes that have taken place in China.

In conclusion, Hu Qili said, "Last year, the Chinese Government advanced that concept of 'one country, two systems' and satisfactorily settled the question of Hong Kong through consultations on an equal footing with the British Government, which also pointed out the practical way for settling the question of Taiwan thus to realize the reunification of China. All the Chinese both at home in China and abroad rejoice at this. We hope that our fellow countrymen and other friends present here today and those who are not, will all work for the great cause of reunification of China."

Leaves for New Zealand

OW180238 Beijing XINHUA in English 0234 GMT 18 Apr 85

[Text] Sydney, April 18 (XINHUA) -- General Secretary Hu Yaobang and his party left here this morning (local time 9:25 a.m.) for New Zealand after a six-day visit to Australia.

Seeing Hu Yaobang off at the airport were Lionel Bowen, Australian deputy prime minister, and Neville Wran, premier of the State of New South Wales.

Chinese Ambassador to Australia Nie Gongcheng and Consular General in Sydney Ge Linxing as well as representatives of the Chinese community here were also present at the airport.

New Zealand Papers Welcome Visit

OW141104 Beijing XINHUA in English 1055 GMT 14 Apr 85

[Text] Wellington, April 14 (XINHUA) -- New Zealand newspapers attached particular importance to the upcoming visit here by Chinese Communist Party leader Hu Yaobang in furthering friendship and economic relations between New Zealand and China.

NEW ZEALAND TIMES said in an article today, "Hu comes to New Zealand at a time of ballooning trade" between New Zealand and China.

EVENING POST, one of the leading papers of the country, said in an article on April 12, "China is regarded as a major factor for New Zealand's external policy and is expected to become increasingly important to this country, at least until the end of the century."

"New Zealand, therefore, wants good reading of political, economic and social developments within China, and there is no better person to get this from than Mr Hu," the article added.

New Zealand-China Friendship Society said in a periodical that the forthcoming visit by General Secretary Hu "will do much to build further the mutual understanding and goodwill between our two peoples."

Palmer Interviewed on Visit

OW161433 Beijing XINHUA in English 1410 GMT 16 Apr 85

[Text] Wellington, April 16 (XINHUA) -- New Zealand's Government and people look forward to the coming visit of Hu Yaobang, Chinese Communist Party general secretary, said New Zealand's Acting Prime Minister Geoffrey Palmer.

In an interview with XINHUA here this afternoon, Palmer said Hu's visit is the third and most important in a series of visits to New Zealand by top Chinese leaders (President Li Xiannian visited in 1980 and Premier Zhao Ziyang in 1983). He said it is "a reflection of an increasingly close relationship between New Zealand and China," and "will undoubtedly strengthen these ties and will most likely signal the beginning of a new period of growth in our bilateral relationship."

Palmer said relations between New Zealand and China have expanded rapidly since 1972 when diplomatic ties were established. China now ranks among New Zealand's top ten export markets, but the relationship is more broadly based than this, he said.

Exchanges are growing rapidly and over 100 exchanges at all levels and in a wide range of fields took place last year. People-to-people exchanges are also growing and in fact provide a strong foundation for bilateral relations to thrive, the acting prime minister said.

Palmer said that New Zealand and China share views on a broad range of international interests and there are no bilateral economic or political disagreements that remain outstanding. "The relationship can be seen as a model for countries of such diverse backgrounds and can be expected to grow in strength and depth," he said.

Palmer added that as China embarks on its modernization program, New Zealand will have greater opportunity to expand its cooperation in certain key sections such as agriculture, animal husbandry and forestry.

New Zealand for its part is keen to promote cooperation with China in areas where it can learn from Chinese expertise and technology such as coal mining and electric power generation, Palmer said "the New Zealand Government supports such practical cooperation which can contribute to the welfare of both peoples. While both governments are prepared to work at this and enhance the truly bilateral nature of the relationship, the possibilities for cooperation are virtually limitless."

Delegation Arrives New Zealand

OW180844 Beijing XINHUA in English 0816 GMT 18 Apr 85

[Text] Wellington, April 18 (XINHUA correspondent Zhang Huanwen) -- Chinese Communist Party (CPC) General Secretary Hu Yaobang arrived here this afternoon for a four-day goodwill visit at the invitation of Prime Minister David Lange and the New Zealand Government.

The Chinese leader was greeted at the airport terminal by Prime Minister Lange. Lange said "welcome to Wellington and New Zealand" when he and Hu Yaobang met at the lounge. Hu Yaobang said he was happy to come to the beautiful land of New Zealand. Deputy Mayor of Wellington G.L. Wilson and some government ministers were also present at the airport. Welcoming the general secretary were also officials from the Chinese Embassy and representatives of the local Chinese communities, Chinese students and New Zealand-China Friendship Society. They presented the Chinese leader with bouquets of flowers.

Arriving on the same plane were Hu's entourage, including Hu Qili, member of the Secretariat of the CPC Central Committee; Yang Dezhong, deputy director of the General Office of the CPC Central Committee; Zhu Qizhen, vice-minister of foreign affairs; and Wang Pinqing, representative of the minister for foreign economic relations and trade.

This is the second leg of Hu's South Pacific tour. The Chinese leader left Sydney this morning after a six-day visit to Australia. He made a transit stop-over in Christchurch, South Island. He was greeted at the Christchurch airport by New Zealand Minister of State Francis O'Flynn and Chinese Ambassador to New Zealand Zhang Longhai.

In a statement released upon his arrival here, General Secretary Hu extended cordial greetings and good wishes to the people of Wellington and New Zealand. The Chinese Government and people highly value their good relations with New Zealand, he said. "Our current visit is aimed at enhancing the mutual understanding between our two peoples and exploring ways to promote amicable cooperation between our two countries."

During the one-and-half-hour stopover at Christchurch, Hu had a quick bus tour of the city and visited a retired wool company representative's home near the airport.

This evening, Hu Yaobang will attend a dinner given in his honor by Prime Minister Lange at the official residence.

Tomorrow, General-Secretary Hu will receive a red-carpet welcome at a ceremony in front of the Parliament House before beginning his talks with Prime Minister Lange, followed by a state luncheon.

His itinerary will also take him to Hamilton and Auckland, where he will visit the Whatawhata hill country research station and the Woodhill state forest, and will be accorded a native welcome at a Maori village.

The general-secretary is scheduled to leave Auckland for Western Samoa on Sunday to continue his tour of the South Pacific which will also cover Fiji and Papua New Guinea.

PNG Official on Visit

OW171936 Beijing XINHUA in English 1906 GMT 17 Apr 85

[Text] Beijing, April 17 (XINHUA) -- John Momis, acting prime minister of Papua New Guinea, expressed his expectation for the visit to be conducted by Hu Yaobang, general secretary of the Chinese Communist Party, when he received Chinese Ambassador Gao Jianzhong in Port Moresby today.

The acting prime minister also voiced his hope to see increasing exchanges between the two nations which established diplomatic relations in October 1976.

Hu is due to arrive on April 23 for a two-day visit to the island country.

WU XUEQIAN LEAVES FOR INDONESIA, PHILIPPINES

OW161502 Beijing XINHUA in English 1446 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian left here today for an official visit to the Philippines.

After the visit, he will lead a Chinese Government delegation to attend the celebrations in Indonesia for the 30th anniversary of the Bandung Conference, at the invitation of the Indonesian Government.

On the way, Wu and his party will stop over in Bangkok, the capital of Thailand.

Chinese Vice-Foreign Minister Yao Guang was present at the airport to see them off. Also present at the airport were diplomatic envoys and diplomats from Thailand, Japan and the Philippines.

Stops in Thailand

OW171459 Beijing XINHUA in English 1445 GMT 17 Apr 85

[Text] Bangkok, April 17 (XINHUA) -- China and Thailand today dismissed Vietnam's latest proposal on a solution to the Kampuchean problem and its so called "troop withdrawal" from Kampuchea as merely playing of tricks, said Sawanit Khongsiri, spokesman for the Thai Foreign Ministry.

Briefing reporters here on talks held this morning between Chinese Foreign Minister Wu Xueqian and his Thai counterpart Sitthi Sawetsila, Sawanit said the two leaders exchanged views on strengthening friendship between the two countries, and on international issues, including the Kampuchean problem.

The two ministers, he said, were in agreement on all issues discussed, and both vowed to continue supporting the Kampuchean people in their struggle against the Vietnamese occupation. The Chinese foreign minister is on his way to the Philippines for an official visit before going to Indonesia. While there he will head his government's delegation to the 30th anniversary celebration of the Bandung Conference, which started the Non-Aligned Movement.

Arrives in Philippines

OW181425 Beijing XINHUA Domestic Service in Chinese 1304 GMT 18 Apr 85

[Text] Manila, 18 Apr (XINHUA) -- On his arrival at Manila Airport today, Chinese Foreign Minister Wu Xueqian told reporters that he would discuss with Philippine leaders issues of common concern with a view to promoting friendly relations between the two countries.

Wu Xueqian came here for a 5-day official visit at the invitation of the Philippine Government after winding up his visit to Thailand. This is his first visit to the Philippines since he assumed the post of foreign minister.

With regard to the Cambodian issue, Wu Xueqian said: China agrees with a political solution of the issue. However, the key to the political solution is that Vietnam must give a guarantee for its troop withdrawal from Cambodia and put that into effect.

Wu Xueqian stressed that in handling its relations with other countries, China consistently adheres to the Five Principles of Peaceful Coexistence, including non-interference in each other's internal affairs. It is his belief, he said, that the Philippines can solve its own internal issues.

After leaving the airport, Wu Xueqian and his party went directly to the Rizal Mausoleum and presented a wreath.

Foreign Minister Wu Xueqian will call on President Marcos and other officials. He will hold talks with President Marcos on bilateral questions and international issues.

INDONESIAN OFFICIAL ON PRC TRADE, RELATIONS

HK120307 Beijing ZHONGGUO XINWEN SHE in Chinese 1420 GMT 11 Apr 85

[Report: "Indonesian Commercial Official Stationed in Hong Kong States That the Signs That Indonesia and China Are Improving Relations Are Very Clear"]

[Text] Hong Kong, 11 Apr (ZHONGGUO XINWEN SHE) -- Mr. (Muta), Indonesian commercial councillor stationed in Hong Kong, told our reporter yesterday that Wu Xueqian, the Chinese foreign minister, will visit Indonesia in mid-April to attend activities marking the 30th anniversary of the Bandung Conference.

Also, in late April the Indonesian General Chamber of Commerce will organize a 25-member delegation to visit China. All this is a clear sign of improvement in Indonesian-Chinese relations, and will lay a foundation for restoring trade between the two countries.

According to Mr. (Muta), since the governments of the two countries began to make preparations for restoring direct trade relations, the number of Indonesian businessmen arriving in Hong Kong has markedly increased, and the number of branches and offices of Indonesian trade organs established in Hong Kong has increased by 36 percent from 1983. At present 21 Indonesian trade organs have ties with mainland China. In late 1984, Indonesia for the first time exported some new products to China through Hong Kong. For example, it signed a contract to export 40,000 tons of steel wool, and one on exporting 1 million cubic meters of redwood timber. In addition, it has also exported reinforcing bars and cement, rubber tires and aluminum.

According to (Muta), restoring Indonesia-Chinese direct bilateral trade is the desire of Indonesian businessmen. Heretofore Indonesian-Chinese trade has often been carried out through Singapore and Hong Kong. Early this year the Indonesian General Chamber of Commerce and representatives of the China Council for Promotion of International Trade reached agreement on a draft accord on direct trade. (Muta) said that when direct trade is restored, the Indonesian Government will take into consideration opening bank offices in China.

THAI FOREIGN MINISTER DISCUSSES POLICY, PRC TIES

OW121753 Beijing XINHUA in English 1637 GMT 12 Apr 85

[Text] Bangkok, April 12 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila declared here today that Thailand is now pursuing a foreign policy capable of mastering the new challenges, while at the same time generating a new consensus in the face of an increasingly complex world.

This foreign policy, based on a four-point principle which gives first priority to Thailand's security, stresses Thailand's solidarity with the ASEAN countries while seeking the strengthening of Thailand's relations with the major powers in order to encourage them to respond to Thailand's national interests. It is also aimed at boosting Thailand's economy by linking it with the well-being of the Thai people and making diplomatic efforts to increase foreign trade. Sitthi made this policy statement at a press conference held at the Foreign Ministry this afternoon in commemoration of the 110 anniversary of the founding of the Thai Foreign Ministry which falls on April 14.

On Thailand's relations with the members of the Association of Southeast Asian Nations (ASEAN) which includes Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, Sitthi noted that the collaboration among the ASEAN countries has been the core of Thailand's foreign policy since 1967. "It remains the principal focus of our foreign policy today," he added.

Referring to Thailand's ties with major powers, the Thai foreign minister said that Thailand has been "fashioning a new policy towards the major powers that would encourage the active, constructive participation on their part while at the same time bringing into balance ASEAN interests. "With Western Europe and Japan, together with the dialogue partners of Canada, Australia and New Zealand, all of us are working together towards a comprehensive political solution to the Kampuchean problem," he remarked.

With respect to the People's Republic of China, Sitthi went on to say, "The relationship which began two years ago has taken its firm roots.

"China is now a friendly country not only to Thailand, but to the rest of the countries of this region... China now regards peace and stability in Southeast Asia as its vital interest."

As for Thailand's ties with the Soviet Union, Sitthi pointed out that his country has no illusions on the Soviet ideological and geopolitical challenge. "What better explanation could there be when the Soviet Union rejected the ASEAN's joint call for it to stop the military aid to Vietnam, an action which would contribute to the solution of the Kampuchean problem?" he asked. Sitthi also expressed Thailand's desire to strengthen trade and financial relationships with all the socialist countries in East Europe, East Asia and Indochina on the basis of equality, mutual respect and benefit. "Our interchanges with the socialist countries, while small in relative scale, can become an important economic and political factor in the days ahead," he declared.

HOANG VAN HOAN INSCRIPTION ON PRC-SRV AMITY

OW131216 Beijing in Vietnamese to Vietnam 1100 GMT 12 Apr 85

[Text] Comrade Hoang Van Hoan recently wrote an inscription dedicated to the revolutionary history museum of Napo County in China's Guangxi Province. The inscription reads: Sino-Vietnamese friendship remains fresh and ardent forever.

Napo County lies on China's border with Vietnam. During the 1940's, Comrade Hoang Van Hoan, along with the late President Ho Chi Minh, carried out revolutionary activities at (Dongpingman) in Napo County, and was given wholehearted assistance by the border people.

With keen remembrance of the warm feelings and kind assistance by the Chinese people during the past years of arduous struggle, Comrade Hoang Van Hoan wrote the inscription -- Sino-Vietnamese friendship remains fresh and ardent forever -- dedicated to the revolutionary history museum.

On 4 April, in a show of ardent feeling for the Vietnamese people, members of the Army and people in Chinese border areas streamed to the museum to seek to understand the history of Sino-Vietnamese friendship.

PRC, BURMESE MINISTERS HOLD TRADE TALKS

OW171545 Beijing XINHUA in English 1518 GMT 17 Apr 85

[Text] Beijing, April 17 (XINHUA) -- Zheng Tuobin, Chinese minister of foreign economic relations and trade, and U Khin Maung Gyi, Burmese minister of trade, held talks here this afternoon on increasing bilateral trade.

Zheng hosted a dinner for the Burmese minister and his party after the talks. The Burmese minister and his party arrived here earlier today from Guangzhou where they attended the China export commodities fair for the spring of 1985.

JI PENGFEI MEETS, FETES HONG KONG BANKER

OW121536 Beijing XINHUA in English 1513 GMT 12 Apr 85

[Text] Beijing, April 12 (XINHUA) -- Ji Pengfei, state councillor and director of the Hong Kong and Macao Affairs Office under the State Council, met with T.C. Ho, director and deputy general manager of the Hang Seng Bank Ltd. of Hong Kong here this afternoon.

Later Ji gave a dinner for Ho in the Great Hall of the People here.

Present on the occasion were Peng Youjin and Yang Zhengmin, secretary-general and deputy secretary-general of the National Committee of the Chinese People's Political Consultative Conference.

JI PENGFEI MEETS HONG KONG BUSINESSMAN

OW131949 Beijing XINHUA in English 1638 GMT 13 Apr 85

[Text] Beijing, April 13 (XINHUA) -- Chinese State Councillor Ji Pengfei met Victor F.K. Ng, chairman of Liang Yau Co., Ltd. and chief editor of COMPANION PICTORIAL in the Great Hall of the People here this afternoon.

JI PENGFEI MEETS HONG KONG COMPANY EXECUTIVES

OW161514 Beijing XINHUA in English 1443 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- Ji Pengfei, state councillor and director of the Hong Kong and Macao Affairs Office under the State Council, met Simon Murray, executive president of Hutchison Whampoa Ltd. of Hong Kong, and his party here this afternoon.

Hutchison Whampoa, which has a business scope covering real estate, finance, container docks and shipping, has an average annual net income of over one billion Hong Kong dollars.

Both Ji and Murray expressed the hope that they would strengthen their cooperation in various forms. Murray also told Ji that he was very confident of Hong Kong's future.

Murray and his party arrived here on April 14 at the invitation of the China National Technical Import Corporation.

HONG KONG FIRM PRESENTS COMPUTERS TO PARTY, STATE

OW110856 Beijing XINHUA in English 0739 GMT 11 Apr 85

[Text] Beijing, April 11 (XINHUA) -- The Hong Kong Renful International Ltd. presented seven 1BC-400 Chinese English computer systems to departments of the Chinese Communist Party Central Committee and the State Council here today.

Ji Pengfei, state councillor and director of the Office of the Hong Kong and Macao Affairs of the State Council, attended the presenting ceremony and watched operation of the computers.

FURTHER ON BELGIAN PRIME MINISTER MARTENS VISIT

Deng on USSR Bases in SRV

HK180916 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 17 April during its regular evening newscast shows a 2.5-minute film clip of Deng Xiaoping, CPC Central Advisory Commission Chairman, answering an unnamed Belgian reporter's question about conditions for improving relations with the Soviet Union, in Beijing on 17 April.

The reporter asks the question: "Of the three controversial [you zhengyi] issues blocking the road to normalization of Sino-Soviet relations, namely, the Cambodian issue, the Afghanistan issue, and Soviet forces stationed along the border with China, which one do you think is the hardest to surmount? In other words, what term do you insist on most?"

Deng Xiaoping, who is standing in a corridor of the Great Hall of the People prior to his meeting with Belgian Prime Minister Martens, is heard very clearly to give the following reply:

"The three issues are of equal gravity. To achieve genuine [zhenzheng] normalization of Sino-Soviet relations, we think that these three obstacles must be gradually removed. What are the implications [hanyi] of the three obstacles? They each constitute a threat to China. If it is difficult for the Soviet Union to remove all the three obstacles at the same time, they can remove them gradually. For instance, they can do one thing. These things could be done by starting with one of the obstacles. It seems that the easiest one for the Soviet Union to start with would be to make Vietnam withdraw its troops from Cambodia, because this will not do any [renhe] harm to the Soviet Union. It can still maintain its relations with Vietnam and can still obtain bases provided by Vietnam." [tareng ran neng gou bao chi tong yue nan di guan xi reng ran neng gou de dao yue nan ti gong ta di ji di]

Martens Host Zhao Ziyang

OW180657 Beijing XINHUA Domestic Service in Chinese 1708 GMT 17 Apr 85

[Text] Beijing, 17 Apr (XINHUA) -- Belgian Prime Minister Martens gave a banquet at the Great Wall Hotel this evening to express his appreciation for the lavish hospitality the Chinese side has accorded him. Attending the banquet on invitation were Premier of the State Council Zhao Ziyang, Vice Chairman of the NPC Standing Committee Han Xianchu, State Councillor and Minister of Finance Wang Bingqian, Minister of Posts and Telecommunications Yang Taifang, Minister of Textile Industry Wu Wenxing, Vice Minister of Foreign Affairs Zhou Nan, Chinese Ambassador to Belgium Zhang Shu, and others.

Prime Minister Martens was the first to propose a toast at the banquet. He said: Through my visit to Beijing and the talks held here, I have gained a further understanding of the great efforts your country is making, the rigorous challenges you are meeting, and your reasons for doing so. Comparing what I have seen and heard today with what I experienced 7 years ago has benefited me a great deal. Meanwhile, this also shows that China's development projects are quickly started and large in scale.

On the further expansion of Belgian-Chinese cooperation, Martens pointed out: Both sides should vigorously increase the exchange of information on each other's needs and possibilities, decide on areas of cooperation, and select some more effective cooperation projects. He held that the advanced technologies to be transferred by Belgium should meet China's needs and actual aspirations. At the same time, he stressed that any cooperation should be discussed at length in order to achieve results.

The scope of Belgian-Chinese cooperation should cover the whole of Western Europe. He hoped that these principles would apply not only to extensive economic contacts but also to vigorous cultural and scientific exchanges between the two countries.

In his toast, Zhao Ziyang said: In the last 3 days, both sides had an extensive exchange of views on international issues of common concern and on the further development of Sino-Belgian relations. The prime minister also met with Chairman Deng Xiaoping today. These talks and meetings once again show that we share much common ground despite the fact that our two countries are situated at either end of the European and Asian Continents and that our situations are different. We both are concerned about international tension; we both devote ourselves to safeguarding world peace, and are willing to strengthen our mutually beneficial or reciprocal cooperation based on long-term stability.

He pointed out: To meet the needs of developing bilateral relations, the two sides have agreed in principle that Belgium will establish a consulate general in Shanghai and that China will establish a consulate general in Antwerp. The two sides will also sign three agreements on nuclear energy cooperation, avoidance of double taxation, and loans. He said: All this sets the scene for a new development in Sino-Belgian friendly cooperation. The current visit by the prime minister has made an important contribution to this cause.

Prime Minister Martens' wife, Belgian Government officials accompanying the prime minister on the visit, and Belgian Ambassador to China Jan Hollants van Looke were present.

Sign Nuclear Accord

OW181136 Beijing XINHUA in English 1106 GMT 18 Apr 85

[Text] Beijing, April 18 (XINHUA) -- Chinese Premier Zhao Ziyang and Belgian Prime Minister Wilfried Martens signed three agreements between the Governments of China and Belgium here this afternoon.

They are an agreement on cooperation between the two governments in peaceful use of nuclear energy, an agreement on the avoidance of dual taxation for incomes and on the prevention of tax evasion, and an agreement on state loans to be provided by the Belgian Government to the Chinese Government.

Present at the signing ceremony were Yang Taifang, minister of posts and telecommunications; Zhou Nan, vice-minister of foreign affairs; Jia Shi, vice-minister of foreign economic relations and trade; and Chinese Ambassador to Belgium Zhang Shu.

Also present were Belgian Ambassador to China Jan Hollants van Looke, and Belgian Government officials accompanying the prime minister on the visit.

PROSPECTS GOOD FOR PRC-BELGIAN TELEPHONE VENTURE

OW170910 Beijing XINHUA in English 0716 GMT 17 Apr 85

[Text] Shanghai, April 17 (XINHUA) -- Shanghai will be able to produce China's most up-to-date program-controlled telephone exchange in October when a Chinese-Belgian joint venture goes into operation.

Now, orders for 110,000 lines have been received by the manufacturer -- the Shanghai Bell Telephone Equipment Manufacturing Company, Zhou Huasheng, chairman of the Board of Directors, said here today.

He said domestic users choose the products because the venture will employ up-to-date equipment and the technique of super-large-scale integration.

The venture between the China Posts and Telecommunications Industry Corporation and the Bell Telephone Manufacturing Company plans to install 30,000 lines this year with imported parts, and 70,000 lines of exchanges in 1986.

By 1988, Zhou said, the venture will be able to turn out its products independently; the annual output of lines by that year will be 300,000.

The contract for the venture, the first of its kind between the two countries, was signed in July 1983. It is one of the largest joint ventures in Shanghai.

The venture will have three workshops by 1987. Construction of the assembly workshop has already been completed, and it will go into operation in October this year, three months ahead of schedule.

Last year, 60 Chinese technicians studied in Belgium and more are to be sent this year.

J. Loontjens, director and general manager of the venture, said that the venture is expected to meet the annual capacity of 300,000 lines one year ahead of schedule.

He said he has full confidence in the bright future of the venture and hoped it will become one of the world's largest telephone equipment manufacturers in the future.

UK'S HEATH BEGINS PRC TOUR; MEETS DENG XIAOPINGDeng on Taiwan, 3 Obstacles

OW181204 Beijing XINHUA in English 1139 GMT 18 Apr 85

[Text] Beijing, April 18 (XINHUA) -- The solution of the Taiwan issue, which is the only barrier lying on the relations between China and the United States, will bring the two countries closer.

Deng Xiaoping, chairman of the Communist Party Central Advisory Commission, made the remarks at a meeting with former British Prime Minister Edward Heath today.

Deng and Heath are old friends. During the 80-minute meeting, they exchanged views on major international issues.

Heath told Deng that he thought China's nine-point proposal aimed at solving the Taiwan issue was "quite reasonable". He asked Deng if the Sino-British agreement over Hong Kong would help solve the Taiwan problem.

The Chinese leader replied that the Hong Kong agreement would add impetus to the solution of the Taiwan issue. "We would like to solve the Taiwan issue the way we have solved the Hong Kong issue. The terms would be even more generous, as Taiwan would be allowed to keep its Armed Forces," Deng stated.

Deng said: "We have proposed a third co-operation between the Kuomintang and the Communist Party in order to solve the Taiwan issue. We have a common language. Both we and the Taiwan authorities say there is only one China."

On Sino-Soviet relations, Deng replied in the same vein he did on Wednesday when answering questions raised by Belgian reporters.

It was necessary to remove three obstacles -- involving Afghanistan, Kampuchea and Soviet forces along China's borders -- before relations between the two countries could be normalized and political relations developed.

If it was difficult for the Soviet Union to remove the three obstacles simultaneously, a start could be made by removing one of them. In any event, a first step toward removal should be taken.

When asked about the disarmament talks between the United States and the Soviet Union, Deng said China would be happy should any agreement be reached.

The practical advantage of an agreement lay in the fact that it would strengthen the role of detente, he said.

However, to safeguard world peace, it was not enough for other countries just to follow the talks between the United States and the Soviet Union, Deng stressed.

Heath said he hoped that China would further develop economic and trade relations with Western Europe. Deng replied that China had been considering, as a policy, how to strengthen economic exchanges with Western European countries, including Britain.

Deng called for efforts by both sides to open new channels to develop trade relations. He added that he hoped European industrialists would create better conditions for Chinese commodities to enter European markets.

Gu Mu Meets Heath

OW171301 Beijing XINHUA in English 1104 GMT 17 Apr 85

[Text] Beijing, April 17 (XINHUA) -- Chinese State Councillor Gu Mu met former British Prime Minister Edward Heath here today. Heath, who arrived here on Sunday on his eighth visit to China, told Gu he had enjoyed a trip to the "remarkable" Yungang Grottoes in Datong, Shanxi Province, earlier this week.

He said that during his previous visit to China, Chinese leader Deng Xiaoping had suggested that he should see Hainan Island. This time he intended to take up Deng's suggestion.

Gu briefed Heath on the recent development of Hainan Island, and discussed the possibilities of co-operation between China and Britain on construction work on the island.

The meeting was followed by a luncheon hosted by Gu at the Great Hall of the People for Heath and his visiting party. British Ambassador to China Richard Evans attended.

Heath Speaks at Meeting

OW171931 Beijing XINHUA in English 1847 GMT 17 Apr 85

[Text] Beijing, April 17 (XINHUA) -- Former British Prime Minister Edward Heath said here today that the participation of Spain and Portugal in the European Community had given Western Europe an opportunity to regain its momentum.

Heath made the statement in a speech on current international issues to Chinese scholars of world politics and economics at a meeting here this afternoon.

The European leaders, he said, now realized that they can only solve their problems in unity. Western Europe was not just concerned with countries in its vicinity, but also with the rest of the world.

He said that the European Community now did more than the U.S. and Japan in helping the developing countries.

He said that Western Europe should play a much larger role in defense and negotiations with the Soviet bloc on arms control, including nuclear weapons.

He said that he endorsed what the late Chinese Premier Zhou Enlai once said -- "Europe must be strong because it has a great part to play, and can help maintain peace in the world."

He said that the developing countries were very heavily in debt because of worldwide price increases, high interest rates and other problems.

He believed that the only way to solve the North-South problem was to strengthen cooperation between developed and developing countries.

Heath also answered questions at the meeting.

On China's economic reform, he said that the Europeans were following it with great interest. The reform meant growing trade between China and other countries and the growing process of investment in joint ventures, he noted.

He expressed the belief that a growing relationship between people in trade and other forms of cooperation would help prevent wars and maintain peace.

The Chinese People's Institute of Foreign Affairs sponsored today's meeting.

LI PENG MEETS AIRBUS, SWEDISH, IAEA OFFICIALS

OW171905 Beijing XINHUA in English 1843 GMT 17 Apr 85

[Text] Beijing, April 17 (XINHUA) -- Vice-Premier Li Peng said here today that China hoped to strengthen economic and technical cooperation with the European Economic Community countries.

In a meeting here this afternoon with Jean Pierson, president of France's Airbus Industrie, and his party, Li congratulated Airbus Industrie on winning an order from China for three A310-200 aircraft. He told Pierson that China's civil aviation would see rapid expansion.

Later, the vice-premier also met separately with a Swedish energy delegation led by Minister of Energy Birgitta Dahl, and Deputy Director-General Konstantinov of the International Atomic Energy Agency.

SWEDISH BANK OPENS BRANCH OFFICE IN BEIJING

OW171841 Beijing XINHUA in English 1831 GMT 17 Apr 85

[Text] Beijing, April 17 (XINHUA) -- The Swedish bank Gotabanken opened a representative office at a ceremony here this evening.

Gotabanken, which has maintained business contacts with the Bank of China since 1956, is the fourth Swedish bank to open a representative office in China.

Speaking at the ceremony, Jan Sparr, chairman of the board of the Swedish Bank, and Chang Yanqing, vice-chairman of the board of the Bank of China, expressed the belief that Gotabanken's Beijing office would contribute greatly to financial contacts and economic cooperation between the two countries.

Visiting Swedish Minister of Energy Birgitta Dahl also spoke at the ceremony.

TIAN JIYUN TALKS WITH FRG AGRICULTURE PROFESSOR

OW131846 Beijing XINHUA in English 1656 GMT 13 Apr 85

[Text] Beijing, April 13 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met Dr. E. Reisch, noted professor of agricultural economy at Hohenheim University of the Federal Republic of Germany here this afternoon.

The two had a cordial conversation on the development of China's rural economy.

President An Min of the Beijing Agricultural University conferred on Reisch the title of Honorary Professor of the University on April 11 for his contribution to developing cooperation between Hohenheim University and the Beijing Agricultural University.

LABOR MINISTER, DELEGATION LEAVE FOR ITALY

OW180440 Beijing XINHUA in English 0244 GMT 18 Apr 85

[Text] Beijing, April 18 (XINHUA) -- A Chinese labor and personnel delegation led by Zhao Shouyi, minister of labor and personnel, left here for Italy today on a friendly visit at the invitation of Gianni de Michelis, Italian minister of labor and social security. Zhao will discuss with Michelis on professional training, employment, wage, welfare, insurance and other matters of common concern.

LIGHT INDUSTRY MINISTER LEADS GROUP TO EUROPE

OW131929 Beijing XINHUA in English 1654 GMT 13 Apr 85

[Text] Beijing, April 13 (XINHUA) -- A Chinese light industrial delegation led by Yang Bo, minister of light industry, left here for Spain, Italy and the Federal Republic of Germany this evening.

The delegation has been invited by the Governments of Spain, Italy and the State of Bavaria of the F.R.G.

TANZANIAN VICE PRESIDENT CONTINUES VISIT

Visits Fuzhou

OW161920 Beijing XINHUA in English 1904 GMT 16 Apr 85

[Text] Fuzhou, April 16 (XINHUA) -- Visiting Tanzanian Vice-President Ali Hassan Mwinyi and his wife visited a factory and a village in Fuzhou, a coastal city in south-east China, following their arrival from Beijing today.

Accompanied by Chinese Minister of Urban and Rural Construction and Environmental Protection Rui Xingwen, the visitors called at a handicrafts factory. Deeply impressed by the skills of Chinese carvers, Mwinyi suggested that carvers of the two countries hold exchange programs.

The Fujian provincial government hosted a dinner tonight to welcome the Tanzanian visitors.

Visits Xiamen Zone

[OW171924 Beijing XINHUA in English 1856 GMT 17 Apr 85

[Text] Xiamen, April 17 (XINHUA) -- Tanzanian Vice-President Ali Hassan Mwinyi and his wife toured the Xiamen Special Economic Zone of Fujian Province today.

After visiting a bearing plant, a wharf and a joint venture of cassette recorders, the vice-president said that the Chinese policy of opening up to the outside world and current rural reform was something Tanzania could learn from.

The Xiamen City government gave a banquet this evening in honor of the distinguished guests. The visitors arrived in Xiamen from Fuzhou this morning.

FUJIAN GOVERNOR WELCOMES SIERRA LEONE PRESIDENT

OW141230 Fuzhou FUJIAN RIBAO in Chinese 29 Mar 85 p 1

[Text] Governor Hu Ping called on the president of Sierra Leone at the Xihu Guesthouse, where he was staying, early in the evening of 28 March. During their cordial and friendly talk, they both expressed hope for continued development of friendly relations and further expansion of economic and technical cooperation between Fujian and Sierra Leone.

Fujian has direct economic and technical cooperation with Sierra Leone. A sugar mill, sugarcane farm, and workers' dormitory in Sierra Leone, built with assistance from our province, were successively completed and put into production or use in 1984. First-stage construction of the Islamic college to be jointly built by our province and Sierra Leone will begin soon. Both sides have also cooperated in fishery and other fields.

During the meeting Governor Hu Ping extended a warm welcome to President Stevens on behalf of the provincial government. He briefed his excellency the president on Fujian's economic situation and achievements since the implementation of economic reforms and the opening to the outside world and reviewed Fujian's economic and technical cooperation with Sierra Leone. He said: "Gratifying achievements have been made in the economic cooperation between Fujian and Sierra Leone. The people of Fujian have friendly feelings toward your country. The president's visit to our province will bring closer relations and promote economic and trade ties between us. There are now over 100 experts and engineering and technical personnel working in your country. It is hoped that your excellency the president will give them instruction so that they can perform their assignments more efficiently."

President Stevens said: "We are very happy to visit your province and thank you for your warm hospitality. In the past, colonialists plundered our resources and oppressed our people; however, you have sent experts, technical personnel, and workers from a long way to help us. The people of our country regard them as messengers of friendship. China is a country with an ancient civilization. By working with you, we can learn much. It is hoped that through our joint efforts, the friendly relations and people's friendship will be further developed. I believe that our future generations will work for the strengthening and development of such friendship."

Governor Hu Ping said: "The people of Fujian want to learn from the people of your country. I hope the two sides will increase exchanges and work harder for undertakings in our common interest."

After the meeting, the provincial government gave a banquet to welcome President Stevens and his entourage. Li Dongzhi, Fu Kuiqing, Cai Liangcheng, Cai Ninglin, and Wen Fushan were present at the meeting and attended the banquet.

Visits Xiamen

OW141256 Fuzhou FUJIAN RIBAO in Chinese 30 Mar 85 p 1

[Text] On the morning of 29 March, Sierra Leonean President Siaka Stevens and his party came from Fuzhou by special plane to Xiamen for a visit.

When President Stevens walked down the ramp, Xiamen Mayor Zou Erjun stepped forward to greet him and shake hands. He said: "I welcome you on behalf of all people of my city!" Stevens happily expressed his thanks. Among others greeting the distinguished guests at the airport were Wang Jinshui, vice mayor of the city; Zhuang Yunchao, vice chairman of the Standing Committee of the city people's congress; and Zhang Ketong, president of the city Association for Friendship With Foreign Countries. President Stevens posed with his hosts for a photograph after receiving a bouquet presented to him by a female Young Pioneer.

After leaving the airport, President Stevens and his party went directly to visit the Huli Industrial Zone. In the afternoon the distinguished guests from Sierra Leone made a boat tour to see the scenic beauty of Xiamen and Guliang Yu.

In the evening Mayor Zou Erjun called on President Stevens at the guesthouse. He briefed President Stevens on the construction of the Xiamen Special Economic Zone. President Stevens expressed appreciation for the Chinese Government's aid to Sierra Leone and hoped that cooperation between the two countries would continue to develop for a long time to come.

After that, a banquet was hosted by the Xiamen City government in honor of the distinguished guests from Sierra Leone.

According to another report, after winding up his satisfactory visit to Fuzhou, Sierra Leonean President Siaka Stevens left the city by special plane for Xiamen on the morning of 29 March in the company of Li Dongye, minister of metallurgical industry; Cai Ninglin, vice governor of the province; and Tian You, director of the provincial Foreign Affairs Office. They were seen off by Governor Hu Ping at the airport. Others seeing them off at the airport were Cai Liangcheng, Wen Fushan, Zhuang Nanfang, and Liu Wenpeng.

CHEN MUHUE MEETS IRANIAN BANK DELEGATION

OW170817 Beijing Domestic Service in Mandarin 1600 GMT 15 Apr 85

[Text] Chen Muhua, state councillor and president of the People's Bank of China, met a delegation of the Central Bank of Iran headed by its President Banki this evening. The guest and host exchanged views on strengthening bilateral cooperation.

SYRIAN AMBASSADOR MARKS NATIONAL DAY IN BEIJING

OW171118 Beijing XINHUA in English 0854 GMT 17 Apr 85

[Text] Beijing, April 17 (XINHUA) -- Zakarya Shurayki, ambassador of the Syrian Arab Republic to China, and Mrs. Shurayki gave a reception here at noon today in celebration of the revolution of the 8th of March and the national day of Syria, the 17th of April. Among the guests at the reception were He Dongchang, minister of education, Zhou Jue, assistant foreign minister, and leading members of other departments concerned. Diplomatic envoys of various countries to China were also present.

QIAN LIREN HOSTS RWANDAN PARTY DELEGATION

OW171914 Beijing XINHUA in English 1845 GMT 17 Apr 85

[Text] Beijing, April 17 (XINHUA) -- Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee, met and hosted a banquet for a delegation from the Rwandan national revolutionary movement for development here this evening.

The delegation, led by chief of Kabaya Sub-Prefecture Kanyarubira Laurent, arrived here on April 8. The delegation has visited Zhengzhou and Wuhan besides Beijing and will leave for home on April 20.

CPC DELEGATION LEAVES FOR BENIN, TOGO 16 APR

OW161940 Beijing XINHUA in English 1845 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- A Chinese Communist Party goodwill delegation left here this evening visit to Benin and Togo as guests of the Benin People's Revolutionary Party and the Rally of the Togolese People. The delegation was headed by Yang Haibo, alternate member of the C.P.C. Central Committee.

Seeing the delegation off at the airport were Li Shuzheng, alternate member of the C.P.C. Central Committee and deputy head of the International Liaison Department of the C.P.C. Central Committee, and Benin's Ambassador to China Cosme Ahannon Deguenon and Togolese Ambassador to China Boumbera Allassounouma.

NEW ENVOY TO ZIMBABWE MEETS PRESIDENT

OW162033 Beijing XINHUA in English 2017 GMT 16 Apr 85

[Text] Harare, April 16 (XINHUA) -- Zimbabwean President Canaan Banana said here today that the traditional and militant friendship between Zimbabwe and China should be strengthened further.

While meeting new Chinese Ambassador Zheng Yaowen, who presented his credentials to him, President Banana expressed his readiness to develop cooperation between the two countries. Banana extended warm welcome to the ambassador and asked him to convey his best regards to Chinese leaders. In his speech, Zheng Yaowen said that "it is the unswerving policy of the Chinese Government to strengthen the traditional friendship between China and Zimbabwe. The development of the amicable ties and cooperation between our two countries is beneficial not only to our two peoples, but also to peace and prosperity of Africa at large," he said. Zheng Yaowen arrived in Harare on April 4.

I. 18 Apr 85

C H I N A
PRC NATIONAL AFFAIRS

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HU YAOBANG VISITS GUANGZHOU COMMODITIES FAIR

HK130218 Beijing ZHONGGUO XINWEN SHE in Chinese 1310 GMT 12 Apr 85

["Hu Yaobang Demands the Guangzhou Commodities Fair Be Run as a Fair That Can Establish Extensive Ties Throughout the World on the Basis of Mutual Benefit" -- ZHONGGUO XINWEN SHE headline]

[Text] 12 Apr, Guangzhou (ZHONGGUO XINWEN SHE) -- While visiting the 57th China Export Commodities Fair, which is to open soon, in Guangzhou this afternoon, Hu Yaobang, general secretary of the CPC Central Committee, pointed out: The Guangzhou Commodities Fair should strive, from now on, to increase the number of new products and state top-quality, famous-brand products on display by 20 percent every year and to renew the exhibits once every 5 years.

This afternoon, accompanied by Liang Lingguang, governor of Guangdong Province, and others, Hu Yaobang, full of zest and wearing a brown Western-style suit, visited the trading halls of silk, machinery, electronics, hardware, and minerals, and joint ventures using Chinese and foreign investment. In every trading hall he visited, he was interested in asking the fair staffers which were new products and about their quality and marketability. When visiting the fair's bazaar, Hu Yaobang carefully viewed and admired the world-famous Duanxi inkstone.

After hearing the report by Chen Jie, who is in charge of the fair and representative of the minister of foreign economic relations and trade, Hu Yaobang pointed out: Holding the Guangzhou Commodities Fair is part of China's policy of opening to the outside world. It is necessary to open up new sources of commodities, to expand sales, and to develop China's economic ties and trade with Third World countries. At the conclusion of the about 2-hour visit, Hu Yaobang wrote an inscription for the fair, reading: "Establish extensive ties throughout the world on the basis of mutual benefit."

Hu Yaobang and his entourage, on their way to tour five Pacific nations including Australia, arrived in Guangzhou this afternoon. They will leave Guangzhou tomorrow morning to go abroad for the visits.

New Paper Quotes Hu

OW150750 Beijing XINHUA in English 0725 GMT 15 Apr 85

["Hu Yaobang: Guangzhou Fair Part of Open Policy" -- XINHUA headline]

[Text] Beijing, April 15 (XINHUA) -- The biannual Guangzhou Export Commodities Fair has been described by Chinese party leader Hu Yaobang as part of China's open policy.

While previewing the fair's 1985 spring session last Friday before leaving for Australia, Hu called for opening up more sources of export goods for the fair and expanding sales, especially to Third World countries, reports the newly launched newspaper INTERNATIONAL BUSINESS today.

Hu said that 20 percent of each year's export products should be new items, including two to three percent popular brands with Chinese characteristics. The exhibits should be replaced every five years, he said.

Greeting the opening of the current spring session due today, the INTERNATIONAL BUSINESS in an editorial calls for concerted efforts by Chinese trading groups to promote sales and strive for bigger deals. Chinese businessmen should pay attention to trading results, good but rational prices and guard against one-sided pursuit of transaction volume.

This is the 57th session of the Guangzhou fair, which began in 1957. It is held twice a year in the spring and autumn. INTERNATIONAL BUSINESS says that the sources of goods for this session are good.

According to earlier news reports, an average of 20,000 business people from nearly 100 countries and regions attended each year. Export trade volume accounted for one-fifth of the nation's annual total. Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin told trading groups on the eve of the fair opening that they should conduct business talks on the basis of the principle of coordinated action.

State Economic Commission Minister in Charge Lu Dong called last weekend for efforts to promote exports to earn more foreign exchange. Lu told a production conference of the commission to give priority to export products and technical transformation projects of export producers. This will not only ensure the needs in export but also ensure enough foreign exchange for importing important material, technology and equipment to sustain the modernization drive, he said.

XI ZHONGXUN SPEAKS AT GENERAL'S COMMEMORATION

OW170851 Beijing XINHUA Domestic Service in Chinese 1433 GMT 15 Apr 85

[Text] Beijing, 14 Apr (XINHUA) -- The General Office of the CPPCC National Committee held a forum this evening to commemorate the 60th anniversary of the death of the late patriotic general Hu Jingyi.

Xi Zhongxun, member of the Political Bureau and Secretariat of the CPC Central Committee, and Yang Jingren, Liu Lantao, and Dong Qiwu, vice chairmen of the CPPCC National Committee, as well as relatives and friends of General Hu Jingyi, attended the forum.

General Hu Jingyi faithfully carried out the three major policies formulated by Dr Sun Yat-sen concerning "alliance with Russia, cooperation with the Communist Party of China, and assistance to peasants and workers" and was known for his military prowess and his efforts, with the help of the Chinese Communists, in creating a new situation of cooperation between the Kuomintang and the Communists in the central plains.

In his speech, Xi Zhongxun spoke highly of General Hu Jingyi's brilliant contribution to the democratic revolution in China. He said: The life of General Hu Jingyi was a life of revolution and was imbued with patriotism. General Hu Jingyi's brother Hu Jingtong and his old friends Dong Qiwu, Yan Kuiyao, Shi Zhe, and Hou Jingru also spoke at the forum. Attending the forum were also Wang Feng, Yang Zhengmin, Yan Xinmin, Li Xibi, Li Ganliu, Deng Huilin, Feng Fufa, and Sun Yangbai, and others. After the forum, the General Office of the CPPCC National Committee gave an informal dinner for General Hu Jingyi's relatives and old friends.

PENG CHONG AT OPENING OF LEGISLATIVE CLASS

OW170955 Beijing XINHUA Domestic Service in Chinese 0839 GMT 15 Apr 85

[By reporter Sun Xiaoming]

[Text] Beijing, 15 Apr (XINHUA) -- To improve the quality of cadres engaged in legislative work, a training class for legislative work cadres, jointly sponsored by the Legislative Affairs Commission of the NPC Standing Committee and the Ministry of Justice, opened in Beijing today.

Vice Chairman of the NPC Standing Committee and Chairman of its Legislative Affairs Commission Peng Chong, Vice Chairman of the NPC Law Committee Zhang Youyu, Vice Chairman of the Legislative Affairs Commissions of the NPC Standing Committee Song Rufen, and Vice Minister of Justice Zhu Jianming attended and spoke at the opening ceremony. They urged the students to understand and study, in particular, the guiding ideology of China's legislative work in the light of their practical experience in order to enhance their party spirit and administrative skills and prepare themselves ideologically and legally to carry out and arduous task of enacting laws in our country.

The nearly 100 students attending the class are cadres of some ministries and commissions under the State Council and of people's congress standing committees of provinces, autonomous regions, and municipalities. During the 3-month class, they will study the guiding ideology, basic principles, and primary experience of China's legislative work, the Constitution and some basic bylaws, and fundamental knowledge of the law. Experts and professors from Beijing University, the Chinese University of Political Science and Law, and other units will give lectures to the students.

ZHENG TUOBIN ON DUPLICATING TECHNOLOGY IMPORTS

OW120436 Beijing XINHUA Domestic Service in Chinese 1212 GMT 10 Apr 85

[By JINGJI RIBAO reporter Yin Ke, XINHUA reporter Chen Naijin]

[Text] Beijing, 10 Apr (XINHUA) -- Speaking at a national conference on technical imports which opened today, Zheng Tuobin, minister of foreign economic relations and trade, said that to avoid duplicate agencies and imports of foreign technology, it is necessary at present to strengthen planning and exercise strict control in order to protect state interests.

Zheng Tuobin pointed out there are a few problems in technical imports that merit attention. Some enterprises commission several companies for the same technical import, and some localities send a multitude of study groups abroad under the name of technical imports. All this has resulted in duplicate study tours and duplicate imports. What is more, when several enterprises negotiate with the same foreign firm for identical technical imports, they would vie with and bid against one another for the same technology, thereby damaging state interests.

Zheng Tuobin called for giving the responsible departments more responsibility and power in managing technical imports. He urged the various departments to strengthen their administrative leadership and supervision over the local companies and for various companies to cooperate with one another in dealing with foreign firms. A qualification study should be carried out with all existing foreign trade companies. Those companies that have neither the capital nor the ability to deal with foreign businessmen and protect the interests of the state and the enterprises, should be put in order or be reorganized. Concerning those companies that are poorly managed or have failed to follow state policies, strict measures from economic sanctions to revoking their rights of operation will be taken against them. In conclusion, Zheng Tuobin stressed that the purpose of exercising control is not to "restrict" or reduce the power that has already been delegated, but rather to prevent and put an end to disorder. In strengthening management, it is also necessary to continuously implement the principle of streamlining administration, delegating more power, and simplifying operating procedures. Depending on their actual needs, the well-qualified large backbone enterprises will be given more decision-making power in dealing with foreign firms so as to accelerate their renovation and develop their production, thereby invigorating the economy.

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LI DESHENG INSPECTS ENDEMIC DISEASE IN ZHEJIANG

OW121141 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 9 Apr 85

[Text] Li Desheng, member of the Political Bureau of the CPC Central Committee and head of the Leading Group for Prevention and Treatment of Endemic Diseases under the CPC Central Committee, went to (Dashuang) village in (Luoshan) Township, Dongyang County, on 4 April to inspect the work of endemic disease prevention and treatment and to call on the patients.

Li Desheng arrived in the village by car at 1400. (Zhao Yitong), deputy secretary of the Dongyang County CPC Committee and head of the county's leading group for prevention and treatment of endemic diseases, briefed him on local work. After the briefing, Li Desheng called on patients and inquired about their age, illness, and treatment. He said: The CPC Central Committee is deeply concerned about people suffering from endemic disease and wishes you a speedy recovery.

Comrade Li Desheng also called on (Lou Yunhua), an 18-year old cretin who is 92 cm tall. He urged the patient's father to continue to have his child get medical treatment. He said that his illness could be cured by good medical treatment.

From (Lou Yunhua's) house, Li Desheng went to (Dashuang's) (Zhongxin) primary school. School principal (Huang Ronggui) told Li Desheng that students suffering from (Dijia) disease are having speech or mental problems and have difficulties in learning. Li Desheng told the principal: Retarded children should be given more love and should not be discriminated against. Careful medical treatment should be provided for them.

CHEN MUHUA CUTS RIBBON FOR BEIJING FLOWER SHOW

OW170825 Beijing XINHUA Domestic Service in Chinese 1133 GMT 15 Apr 85

[By reporters Zhao Wei and Wu Shishen]

[Excerpts] Beijing, 15 Apr (XINHUA) -- A display of over 500 pots of radiant Kaffir lilies at an exhibition of this rare flower from Changchun City in the capital's Beihai Park attracted crowds of visitors today. Chen Muhua, honorary president of the Chinese Flower Association, cut the ribbon for the exhibition.

The exhibition, which will last a month, is jointly sponsored by the Chinese Flower Association, HUAHUI BAO [FLOWER NEWS], and the Changchun City Kaffir Lily Development Corporation.

ZHAO ZIYANG'S GOVERNMENT WORK REPORT PUBLISHED

OW171405 Beijing XINHUA Domestic Service in Chinese 1301 GMT 15 Apr 85

[Text] Beijing, 15 Apr (XINHUA) -- Premier Zhao Ziyang's government work report, "The Current Economic Situation and Economic Structural Reform," delivered at the Third Session of the Sixth NPC and the resolution on this government work report adopted at the session have been compiled by the People's Publishing House into a book which will be on sale across the nation at Xinhua bookstores beginning 16 April.

The Nationalities Publishing House will publish the book in five minority languages, namely, Mongolian, Tibetan, Uygur, Kazakh, and Korean. A compilation of documents of the Third Session of the Sixth NPC and the Third Session of the Sixth CPPCC National Committee will also be published in the near future.

BEIJING MILITARY CHANGES CADRE SELECTION SYSTEM

HK110648 Beijing RENMIN RIBAO in Chinese 10 Apr 85 p 4

[Report by Fang Xianliang and Zhao Su: "Beijing Military Region Selects Cadres for Third Echelon of Army-Level Leading Bodies"]

[Text] The CPC Committee of the Beijing Military Region has changed the previous mysterious methods of promoting cadres to higher levels and has adopted the new method of combining leadership consideration with mass recommendation in selecting and promoting cadres. Now the military region has selected a number of middle-aged and young cadres who are professionally competent and politically reliable for the third echelons of the army leading bodies.

The CPC Committee of the Beijing Military Region has selected 92 people for the third echelons of the army leading bodies on the basis of mass recommendation. Of these people, 43.5 percent have received university or college education, and almost all of them have certain professional knowledge. Their average age is 45. So they are superior in age and educational background to the existing leading bodies of the army corps in the military region.

Previously, the work of selecting cadres for promotion to leading bodies of the army units was limited only to members of the party committee and cadres in charge of cadre affairs. Since the first-stage party rectification, the CPC Committee of the Beijing Military Region has learned from the experiences of the Shaanxi Provincial CPC Committee which chose principle responsible people in a democratic way, and has boldly reformed its method of selecting reserve cadres for the army corps leading bodies in light of the characteristics of the army units. Beginning in late October last year, the Standing Committee members of the military region party committee and the personnel of the Cadre Affairs Department organized themselves into a number of work groups and respectively went to various subordinate army corps and provincial military districts. The work groups mobilized the masses to recommend candidates for the third echelons in their own units directly to the military region party committee. In the course of mass recommendation, the work groups did not impose any restrictions or exert any influence. They just told the masses of the requirements and standards for reserve cadres for the army corps leading bodies. The masses were allowed to freely nominate candidates on the basis of full discussion. The work groups placed stress on advising the people to take a correct attitude toward the selection work and help the party committee choose qualified and competent cadres to the third echelons on the basis of having a comprehensive and correct understanding of the four requirements for cadres. Through individual talks and "opinion polls," the work groups solicited opinions from more than 400 leading cadres and staff officers at the army corps, division, and regiment levels. They also talked with all candidates recommended by the masses. On the basis of this work, the military region party committee finally decided on members of the third echelons for all army corps leading bodies after carefully comparing the candidates with each other. So it properly combined democracy with centralism in the handling of cadre affairs.

The army units and military commanding organs all have welcomed this method of combining mass recommendation with leadership consideration in the course of selecting reserve cadres for the army corps leading bodies. They held that this method can prevent or reduce the incorrectness in judging the quality and ability of a cadre and the unreasonable decisions on promoting cadres, and that it is favorable to the effective cultivation of promising cadres.

QIN JIWEI PLANTS POPLAR TREES IN SHANXI 7 APR

OW091400 Beijing XINHUA Domestic Service in Chinese 1515 GMT Apr 85

[By reporter Jiang Qingzhao]

[Text] Taiyuan, 8 Apr (XINHUA) — Qin Jiwei, alternate Political Bureau member of the CPC Central Committee and commander of the Beijing Military Region, planted trees with the local people in the old revolutionary base in Heshun County, Shanxi Province, on 7 April.

During the war of resistance against Japan, Qin Jiwei fought battles in the area and planted many trees with the local people. The 10 poplars planted by Qin on the river bank in Zhaijiazhuang during those years have now grown into huge trees with a mass of branches and leaves. This time, Qin Jiwei made a special trip to call on the people in the old revolutionary base and planted another 10 poplars on the river bank in Zhaijiazhuang.

While planting trees, Qin Jiwei told the masses: Comrade Hu Yaobang has called on us to turn this "Yellow Dragon" — the Taihang Shan — into a "Green Dragon." Beijing Military Region must take concrete actions to contribute to afforestation in the Taihang Shan. Qin Jiwei also planted trees in Matian Village in Zuoquan County, the former site of the 8th Route Army Headquarters, on 6 April.

DEMOCRATIC PARTY COMMITTEE HOLDS PLENARY SESSION

OW151134 Beijing XINHUA in English 1051 GMT 15 Apr 85

[Text] Beijing, April 15 (XINHUA) -- The Sixth Central Committee of the Revolutionary Committee of the Chinese Kuomintang (RCKK) held its second plenary session here today. Jia Yibin, RCKK vice-chairman, delivered a report at the opening ceremony.

He appealed to Chiang Ching-kuo and the Taiwan authorities to act wisely and in the nation's interest by negotiating with the Communist Party and adopting the concept of "one country, two systems". This could bring about a third historical co-operation between the two parties, he said.

Another vice-chairman, Zhu Xuefan, chaired today's meeting, which was attended by 124 members and 40 alternate members. The previous plenary session was convened in December, 1983. One of China's non-communist Parties, the RCKK has more than 20,000 members, most of whom are former members of the KMT (Nationalist Party).

TIMBER SHORTAGE EASED AFTER STATE MONOPOLY ENDS

HK180331 Beijing CHINA DAILY in English 18 Apr 85 p 2

[Text] Shortage of timber on the domestic market has eased and prices have stabilized since the State earlier this year lifted its monopoly on timber purchase and sales, the newspaper ECONOMIC INFORMATION reports.

Fir, a major timber product of Hunan Province, is now selling for 238 yuan a cubic metre, down from last year's 244 yuan. The newspaper estimates that prices for most other varieties of timber will hover around 200 yuan a cubic metre. More timber has entered the market because the government has eased controls on sales by collectively owned timber products.

Lishui Region in Zhejiang Province alone will put 600,000 cubic metres of timber on the market this year, the paper said. Meanwhile, as part of the effort to bolster timber supplies, China is continuing timber imports, the newspaper said.

A Japanese business newspaper reported last month that the world's major timber producers consider China a "huge and tempting" market, ECONOMIC INFORMATION said.

The United States and Canada, main timber exporters to China, are aiming to carve themselves a larger market by sending delegations for business negotiations, the newspaper said. The newspaper disclosed that a five-year-term agreement between the Soviet Union and China is likely to be signed in June, a large portion of it involving timber trade. In Japan, 80 companies have formed an association with the common aim of grabbing a bigger share of China's timber market.

China is planning to cut its annual timber harvest of 55 million cubic metres by up to 15 percent to protect its forest resources. Such a policy will require increased imports, the newspaper said.

Chinese timber experts have been sent to Papua New Guinea, the Solomon Islands, the Congo, Chile, Canada and the United States to explore increased trade prospects, the weekly BEIJING REVIEW reported. China's forests cover 115 million hectares, and total timber resources are estimated at nine billion cubic metres. However, forestry acreage and per capita timber supply in China is lower than the world average.

The country spent \$35 million last year importing equipment and modernizing lumber mills. Two cooperative projects have already gone into operation. One, a Beijing particle board production line imported from the Federal Republic of Germany, has an annual capacity of 30,000 cubic metres. The other, in Fuzhou, capital of Fujian Province, has an annual capacity of 50,000 cubic metres of heavy density particle board. It was imported from the United States.

Cheng Jianling, deputy manager of the Chinese Corporation for International Cooperation on Forestry, said that China's output of resin, tung oil, raw lacquer and camphor at one time ranked first in the world. But because of limited funds and technology, he said, processing is not currently realizing its full potential.

RENMIN RIBAO ON ELIMINATING FACTIONALISM

HK170945 Beijing RENMIN RIBAO in Chinese 16 Apr 85 p 5

[Article by Gu Zhirui: "It Is Necessary To Adopt Correct Methods in Eliminating Factionalism"]

[Text] During the party rectification, many localities and units have grasped the education in thoroughly negating the "Cultural Revolution" and done a great deal of work to eliminate factionalism, scoring remarkable results. However, a few others have failed to firmly grasp the education in negating the "Cultural Revolution" and the work of eliminating factionalism. Some others have not been clear about the guiding ideology and have not adopted suitable methods. This has given rise to some deviations. For example, instead of stressing the importance of ideological education and inducing all to consciously make self-criticisms, they carried out the work of eliminating factionalism with a view to punishing some people. They criticized some representative personages by name. They criticized some comrades by grasping the defects or mistakes in their work and even by taking rumors as facts.

As a result, those who were criticized disagreed with the criticisms, and the masses objected to this method of work. This also whipped up factionalism.

For another example, they seized hold of those who took part in ordinary factional activities during the initial period of the "Cultural Revolution." They even brought up old scores about factionalism during the initial period of the "Cultural Revolution."

For still another example, during the "Cultural Revolution," some cadres were ideologically inclined to one faction but did not participate in factional activities; some others expressed opinions on the erroneous methods of certain factional activities. Without making analyses, some localities and units indiscriminately labelled these cadres' behavior as "factionalism."

Generally speaking, factional activities have now gone through enormous changes. Some of them have changed to be sectarian or cliquish activities. In some localities, factionalism has been linked up with the relations of kinfolk. The lack of a concrete analysis of factionalism and a correct method to solve the problems will impede the elimination of factionalism. Correct principles and methods should be adopted in accordance with the instructions of the CPC Central Committee in order to thoroughly negate the "Cultural Revolution" and realistically eliminate factionalism.

Thanks to the efforts to right wrongs since the 3d Plenary Session of the 11th CPC Central Committee and especially after studying the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," the majority of the party members have acquired a relatively clear theoretical and ideological picture of the internal disorder during the "Cultural Revolution" and begun to abhor factionalism. Cases of going in for factionalism, especially cases of the leading cadres going in for factionalism by using their functions and power, are now very rare. Overemphasizing this problem will easily lead the elimination of factionalism in an incorrect direction.

In eliminating factionalism, we should uphold the principles of enlightenment, understanding, and unity, vigorously carry out ideological education, maintain the normal practice of democracy within the party, and lead all in correctly making criticism and self-criticism. We should conduct education and give assistance by means of heart-to-heart talks with emphasis on self-criticism. We should solve our problems by our own efforts. We should educate all to unite and look forward. Facts show that those who oppose others merely for their factionalism are often imbued with factionalism. Only through education and by strengthening party spirit will it be possible to overcome factionalism. The new people who refuse to mend their ways despite repeated education are still going in for factionalism and must be severely punished. The very few leading cadres who cling to factionalism should be dismissed from the leading bodies. We must prevent them from making use of their functions and power to go in for factionalism. However, we should not solve problems in an oversimplified manner. Neither should we criticize them by name and take actions against before the problems have been clarified.

In short, the question of factionalism during the "Cultural Revolution" must be correctly analyzed. It should be neither exaggerated nor solved by an oversimplified method. Meanwhile, we should also see that factionalism still exists in some localities and among some cadres and even among a few leading cadres. We should seriously conduct education and solve the problems well during party rectification. The two factions of the "Cultural Revolution" might differ from each other in the number of mistakes committed and in the seriousness of their mistakes. However, the so-called viewpoint that "one faction was correct and the other was wrong" is utterly untenable.

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We believe that only if we aptly apply the typical cases in vividly conducting education in communist ideals and in negating the "Cultural Revolution" and eliminating factionalism, the party members and the masses will definitely be able to correctly sum up historical experience, strengthen party spirit, enhance their sense of discipline, unite as one, work concertedly, and march forward in broad strides on the road to socialist modernization!

COMMENTATOR ON EXPANDING USE OF PRIVATE CREDIT

HK171436 Beijing RENMIN RIBAO in Chinese 15 Apr 85 p 2

[Commentator's article: "Appropriately Expand Private Credit"]

[Text] Implementing a relaxed financial policy in the rural areas and attaching importance to appropriately expanding private credit is a necessary supplement to the work of bank loans. Xinjiang County has achieved good results in expanding private credit and Wenan County in using social funds through various channels.

In the rural areas, while there is a shortage of construction funds, there is a large quantity of scattered funds which are not used. An effective means to give play to the role of scattered funds in the hands of the peasants is rural credit, including the expansion of private credit, a channel for circulation of funds. If we do a good job in this respect, we will be able to fully tap the potential of social funds, pool small sums of money into a large sum, and turn "dead money" into "live money" to promote the economic development of rural areas.

Private credit has many forms. Each supplying what the other needs has long been a practice among the peasants. We should adopt a correct policy toward free borrowing and lending, which has an extensive foundation in the rural areas. At present, rural credit has not yet been developed. Since the shift from a single-product economy to a diversified economy, bank loans alone can no longer meet the objective needs of rural economic development. It is imperative to have various forms of credit and various channels for the circulation of funds. Free borrowing and lending is a form of private credit which has been adopted by the peasants. It is simple and convenient. Therefore, we can only provide proper guidance for it and should not stop it.

The peasants have a deep hatred for the usurious loans of the old society. Such practices should never be allowed in today's rural areas. The interest rates of some private loans may be relatively too high, but the borrowers can often get greater profits with such loans. Such loans play a positive role no matter whether they are viewed from individual or social interests, and they are completely different from usury which takes advantage of the borrowers' precarious positions. Agricultural banks and credit cooperatives must energetically expand the scope of their business and give correct guidance to the healthy development of private credit.

Private credit should develop appropriately, but great prudence should be exercised in setting up credit organizations. They are different from commercial or other enterprises because they involve state management of currency. They have to be run on a certain scale and require a substantial remittance capability. The reform of the financial system has just started and is still in an exploratory stage. Various localities should not rush headlong to set up private credit organizations. Experiments must be carried out in order to obtain experience that can gradually be spread.

EDITOR ON SUCCESS OF ECONOMIC REFORM COLUMN

HK171450 Beijing RENMIN RIBAO in Chinese 15 Apr 85 p 2

[RENMIN RIBAO editor's note: "A Corner for Discussing Economic Reform -- Roundup of Articles and Letters to the 'My Views on Economic Reform' Special Column During the First Quarter"]

[Text] Since the start of the special column "My Views on Economic Reform" on page 2 of our paper at the beginning of this year, it has been enthusiastically supported by comrades of various sectors. By the end of March, over 500 articles and letters had been received and more than 40 of them have been published. More will be selected from the rest and published in the future.

Based on the large quantity of articles we have received, simpler administration and decentralization and delegating due decisionmaking power to enterprises remain problems about which people are concerned. Many comrades have put forward various views on some concrete questions concerning the increase or delegation of power and have carried out in-depth discussions on how to correctly use the decision-making power to invigorate enterprises and how to properly handle the relations between the factory director, the party secretary, and the chairman of the trade union after implementing the system of the factory director (manager) responsibility system. Some of them also hope that departments in charge of the work at higher levels will earnestly delegate power to enterprises and avoid recentralization of power to "temporary" organs or the phenomenon of "putting down the bowl but not the chopsticks." Many comrades hold that how to make good use of the decision-making power is the key to properly running and invigorating enterprises in the future. In actual practice, the increase, delegation, and use of power involve a complicated process. Only by straightening out the relations in various aspects as quickly as possible will enterprises be able to exercise the decision-making power.

The production and operation of enterprises have their intrinsic mechanisms and laws. Enterprises are related in administration to other units at different levels and economically related to other units at the same level. Contradictions caused by not simultaneously carrying out reforms in various sectors have become more and evident. Whether reforms of various departments which are directly related to enterprises, such as banks, and whether reforms of taxation, energy, material supply, and communication departments are carried out at the same time as those of enterprises is an important link in determining whether or not enterprises can be invigorated.

In the course of reforming the economic management system, many new types of economic organizations have emerged. The assessment and analysis of large numbers of companies should be specifically carried out. Many comrades have analyzed in depth some companies of different types and have carried out beneficial discussions, proceeding from the interests of the overall situation and at a higher plane in the long-term development of the national economy. They have put forward very good and constructive views on problems existing in various companies at present. They have also given convincing explanations, through providing examples, about the nature, scope of business, and the role in developing production of the new types of companies and enterprises run by local people.

The comprehensive reform of industrial enterprises and the commercial system involves various aspects such as operations, management, capable personnel, technology, funds, and materials. Our comrades have made in-depth microeconomic and macroeconomic analyses, which are of much significance to the economic reform in the future.

In order to ensure that our economic reform will develop in a healthy manner in accordance with the plans of the central authorities, the special column "My Views on Economic Reform" will continue to provide a corner for comrades on various fronts to air their different views. This column has been well received by the broad masses of readers. Many comrades have also suggested that articles which have appeared in this column be published in a book. We will try our best to do this. We hope that comrades of various sectors will send more articles to us. Please use the following address to send articles: Special Column "My Views on Economic Reform," Industry and Commerce Department, RENMIN RIBAO.

ARTICLE ON BASIS OF CHINESE-STYLE SOCIALISM

HK170859 Beijing GUANGMING RIBAO in Chinese 1 Apr 85 p 3

[Article by Han Zhiguo: "A Tentative Discussion on the Theoretical Basis for Socialism With Chinese Characteristics"]

[Text] The great task of our current reform of the economic structure is to bring about a change in our previous rigid economic structure that hinders the development of the forces of production and to build socialism with Chinese characteristics. On what theoretical basis should socialism with Chinese characteristics be built? Opinions in theoretical circles now vary on this question. In my opinion, the theoretical basis for building socialism with Chinese characteristics is the theory that the relations of production should be suited to the nature of the productive forces in two aspects. Many defects in our previous economic structure are directly related to the failure to suit the relations of production to the nature of the productive forces in two aspects.

People are usually of the opinion that the adaptation of the relations of production to the nature of the productive forces refers to the adaptation of the social relations of production to the social forces of production. Proceeding from this point of view, when people talked about the forces of production in the past, they used to refer to the social forces of production, and when they talked about the relations of production, they used to mean the social relations of production. In my opinion, this is a onesided understanding of productive forces and relations of production.

In accordance with the Marxist viewpoint, the productive forces are composed of two essential factors -- laborers and the instruments of labor. However, if the two essential factors are at a standstill, then they are only the essential factors which compose the productive forces, but they are not the actual productive forces. The actual forces of production are shaped by combining laborers with the instruments of labor in movement. That is to say, the actual forces of production are the concrete combination of laborers with the instruments of labor -- the concrete forces of production. The social forces of production can be formed only on the basis of each of the concrete forces of production. Because of differences in the education and skill of laborers and in the level of development of the means of production, all enterprises, which work as individual cells in the body of the whole national economy and as places where laborers are directly combined with the means of production, differ from one another in the concrete level of productive forces. However, this is not the case of the social forces of production. On the one hand, the social forces of production are formed through each of the concrete forces of production, without the concrete forces of production there are no social forces of production; on the other hand, the social forces of production are not completely identical with each of the concrete forces of production, they stand for a kind of productive force, which reflects the basic level of development of the entire social forces of production and the people's ability to conquer and transform nature.

For example, at the present stage of our country, the large machine-building industry represents the level of development of our social forces of production, but there are also more advanced automation enterprises and the more backward handicraft industry in our country; even within the large machine-building industry, the level of development of the productive forces also differs greatly in various enterprises. Generally speaking, there is, therefore, a distinct difference between the development of the social forces of production and the concrete forces of production. The two cannot combine into one, they cannot be regarded as the same thing. As a result of the fact that productive forces fall into both the concrete forces of production and the social forces of production, there is of course the difference of both the concrete and social relations of production. That is to say, the relations of production refer first of all to the concrete relations of production. The organizational form of production and the ways of operation and management in all enterprises, which work as cells of the body of the whole national economy, should correspond to the development level of their concrete forces of production. Only when the concrete relations of production of all enterprises are mostly suited to the development level of the concrete productive forces, will it be possible for the production relations of the whole society to be suited to the social productive forces.

The necessity of suiting production relations to the nature of productive forces in fact consists of the following two aspects: First, the concrete relations of production should be suited to the concrete forces of production; and second, the social relations of production should be suited to the social forces of production. These two aspects constitute the whole of the interrelationship between production relations and productive forces; of this, the concrete forces of production and the concrete relations of production play a decisive role. If we put undue emphasis on the readjustment of production relations in disregard for the actual level of development of the productive forces, and if we put undue emphasis on the social relations of production and the social forces of production regardless of the concrete relations of production and concrete forces of production, then the expansion of production will certainly be greatly hindered. Under such circumstances, the adaptation of production relations to the nature of productive forces is only a concept at most, but not an action. Therein lies the crux of all the defects in our previous economic structure.

What is the superiority of the socialist economic system? Many comrades have expounded on this problem in some theoretical books and textbooks. Although some of them explained the superiority of the socialist economic system from the angle of the social relations of production (the public ownership of the means of production, distribution according to work, and the planned economy), they failed to examine and understand the problem from the angle of the concrete relations of production and the concrete forces of production. As a matter of fact, the superiority of the socialist economic system demonstrates not only the adaptation of the social relations of production to the social forces of production but also the adaptation of production relations to productive forces in two aspects. In terms of the public ownership of the means of production, if we understand the problem only from the angle of the social relations of production, without considering the concrete relations of production and the concrete forces of production, we certainly believe in the principle of "the larger, the better and the more public ownership, the better." Therein lies the theoretical roots of "pauper's transition," which was zealously advocated in China in the past. However, if we proceed from the theory of suiting production relations to productive forces in two aspects, we will come to a different conclusion. Viewed from the angle of the social relations of production, our country exercises public ownership.

But viewed from the angle of the concrete relations of production, an enterprise may adopt the form of public ownership as well as the form of collective ownership; even enterprises which adopt the same form of ownership may also adopt different ways of operation. The form of ownership and the way of operation of an enterprise entirely depends on the level of development of its concrete forces of production on the education and skill of the laborers, and on the actual state of the instruments of labor. If an enterprise which is suited to collective ownership is forced to adopt ownership by the whole people, on the surface, this would seem to be progress, but actually it is a kind of reaction, because it runs counter to the objective demands of productive forces and to the objective law of making it necessary to adapt production relations to the nature of productive forces. Thereby the development of the social economy will certainly be hampered.

What should socialism with Chinese characteristics be like? Many comrades hold the view that socialism with Chinese characteristics has two distinct main features: First, it is in line with actual conditions in China (a vast territory, a poor foundation to start with, and a huge population); second, it adheres to socialist nature. We think that it is far from enough to understand socialism with Chinese characteristics in such a way. Socialism with Chinese characteristics should be socialism which is built in accordance with the theory of adapting production relations to productive forces in two aspects. Only when socialism is built according to this theory, will it be different from the capitalist economic structure as well as the conventional, highly centralized economic structure. In capitalist countries, enterprises pay much attention to the readjustment of the concrete relations of production, they have well-conceived development plans, highly competent leadership over production, and strict organizational discipline. Therefore, losses and waste are rarely seen in these enterprises. However, it is impossible to suit the concrete relations of production to the concrete forces of production in capitalist countries because laborers are combined with the instruments of labor in a capitalist way. The major defect of the capitalist economy is that the social relations of production cannot be suited to the social forces of production. Capitalists decide on everything in production because they keep a firm grip on the means of production. This inevitably involves the contradiction between socialized production and private ownership, thus leading to the repeated occurrence of economic crises. This is the very reason which caused almost all socialist countries to act in a diametrically opposite way after they won victory in socialist revolution, they focused on the social relations of production, while neglecting the concrete relations of production and the concrete forces of production. The social forces of production represent a general concept of productive forces, if the socialist relations of production are designed and built according to the social forces of production, a unitary form of economic management will certainly appear, which restricts the development of colorful economic life. As a result, enterprises which are advanced in productive forces cannot give play to their strong points, while enterprises which lag behind in productive forces cannot meet the change of production relations, thus fettering the productive forces and weakening the foundation of the socialist economy.

In carrying out reform of the economic structure and building socialism with Chinese characteristics, we, therefore, should establish the socialist economic structure in light of the theory of adapting production relations to the nature of productive forces in two aspects. Following this path, our economic structure will not become like the capitalist one, which can only readjust the concrete relations of production but cannot readjust the production relations of the whole society, and will not become like the conventional economic structure in socialist countries which pay attention only to readjusting the social relations of production but neglect the concrete relations of production.

In terms of economic management, we can not only learn from capitalist countries for their progressive experiences in enterprise management which reflect the law of modern socialized production, but also take as reference some concrete practices concerning macroeconomic management in countries which engage in the planned economy. In this way, we can successfully build socialism with Chinese characteristics and give fuller play to the superiority of the socialist economic structure.

ARTICLE ON PURPOSE OF SOCIALIST PRODUCTION

HK161454 Beijing GUANGMING RIBAO in Chinese 7 Apr 85 p 4

[Article by Xin Changxing: "The Direct Objective of Socialist Enterprise Production Is Net Output Value"]

[Text] In the article "Profits Are the Direct Objective of Socialist Enterprise Production" (published in GUANGMING RIBAO on 10 February 1985), Comrade Fang Gongwen actually believes that profits are the sole objective of socialist enterprise production. As far as I am concerned, profits are only part of the direct objective of socialist enterprise production. The overall direct objective of socialist enterprise production is not profits, but net output value.

Net output value includes the value for oneself and the value for society. The value for society is a special manifestation of surplus labor in socialist commodity production. The embodiment and form of the value for society are the profits of socialist enterprises (including revenue). This aspect of value is naturally included in the direct objective of enterprise production.

But the question here is whether it is correct to think that the direct objective of socialist enterprise production includes only the value created by surplus labor, and not the value created by necessary labor. That is, whether the direct objective of socialist enterprise production should exclude the value for oneself or not. I think it should not. In the capitalist society, the objective of production does not include the value created by the necessary labor of workers, because in capitalist production, the workers, like the machines and raw materials, are only an inessential factor in the production.

The purpose of a capitalist paying the labor force and combining the labor force with the means of production is to increase his capital and gain surplus value. The value created by the necessary labor of workers only compensates for the capitalist's variable capital spent on paying the labor force, but does not increase his capital. This kind of value should not be included in the purpose of capitalist production. But under the socialist system, the workers are the masters of production. The objective of enterprise production should primarily be to meet the consumption requirements of workers, who are the masters of the enterprises, that is, to gain value for oneself. If the value for oneself, which is part of the value needed by the workers, is excluded from the objective of socialist enterprise production, how can we talk about the objective of socialist production?

Only by admitting that the direct objective of socialist enterprise production is net output value, and only by including the value for oneself in the objective of socialist enterprise production can the workers realize that they are the masters of enterprises and really understand the unity of individual interests and collective interests, so as to bring their enthusiasm in work into full play. Otherwise there will be many detrimental effects.

RENMIN RIBAO COMMENTATOR ON INHERITANCE LAW

HK171550 Beijing RENMIN RIBAO in Chinese 14 Apr 85 p 3

[Commentator's article: "Defending the Citizens' Right To Inherit Lawful Property"]

[Text] The "PRC Inheritance Law," which is aimed at protecting the citizens' right to inherit lawful property, was passed at the Third Session of the Sixth NPC and is to be effective 1 October. This is an important law that the people of the country, Hong Kong and Macao compatriots, and Overseas Chinese are generally concerned about.

The right to inherit property is closely related to the ownership of private property. The former is an extension of the latter. Our Constitution stipulates: "The state protects the right of citizens to own lawfully earned income savings, houses, and other lawful property" and "the state protects by law the right of citizens to inherit private property." The lawful property owned by a person is protected before his death and can be inherited after his death. This helps us arouse the citizens' enthusiasm for developing production, increasing savings, working hard, and leading a simple existence, and is favorable for both familial and societal stability and prosperity. In accordance with the relevant articles of the Constitution and by summarizing the country's experiences in handling the problem of property inheritance, incorporating some desirable folk ways, and putting an end to the vestiges of feudal customs which have survived the old society, the "inheritance law" includes specific articles on the problems arising from the inheritance of property. These articles, which have Chinese characteristics, are in agreement with the proper handling of the problem of property inheritance and the effective protection of the right of citizens to inherit lawful property.

The citizens' lawful personal property, as defined in the "inheritance Law," includes the means of subsistence, cultural relics, books, copyrights, and property rights, which are also stated in the patent law. In addition, it also includes those means of production for which personal ownership is permitted by law. Since the 3d Plenary Session of the 11th CPC Central Committee, as a result of the progress in the reform of the urban and rural economic structures and the extensive application of the system of contracted responsibility for production, a considerable number of peasants have owned some lawful means of production and many households doing specialized jobs in the rural areas and individual laborers in the cities and towns have owned such means of production as motor vehicles and tractors. The means of production owned by those Hong Kong and Macao compatriots and Overseas Chinese who invest money in the mainland are also counted as lawful property. People are allowed to inherit all of this. Apart from this, people are also allowed to inherit the income derived from undertaking personal contracted responsibilities. This includes the personal income derived by people from the grain they produce, the trees they plant, and the fish they keep after assuming contracted responsibilities, as well as the personal income earned by assuming contracted responsibilities for running enterprises. These stipulations will play a positive role in ensuring the implementation of the series of principles and policies adopted by the party and the state and in giving impetus to the "four modernizations."

The "inheritance law" clearly stipulates that "people of both sexes have equal rights to inherit property." In addition, in light of the absence of protection in some parts of the country (the rural areas in particular) for women's right to inherit property, the law includes the appropriate articles in order to protect women's right to inherit property. Apart from this, the "inheritance law" also embodies the Chinese people's traditional values of providing for both the aged and children and maintaining familial harmony.

In order to encourage people to provide for and look after the elderly members of their families, the "inheritance law" stipulates that those heirs who have contributed most to looking after the elderly members of their families are entitled to a larger inheritance, that those who can afford to or who have the conditions to provide for the elderly members of their families but who do not perform their duty of providing for them are entitled to nothing or a smaller inheritance, and that those who willfully murder or forsake their legators or seriously maltreat them will be handled according to the criminal law and, under the "inheritance law," be deprived of their right of inheritance. The "inheritance law" stipulates that those individuals other than the legal heirs who have contributed much to providing for legators are entitled to an appropriate inheritance. The "inheritance law" also incorporates detailed stipulations in order to help those heirs who have to provide for their children and to make allowances for those heirs who cannot live independently. It also stipulates that heirs should, in the spirit of the principle of mutual understanding and mutual accommodation, family harmony, and unity, discuss and settle the problem of inheritance; that heirs should discuss and decide on the questions of when and how to divide the inheritances and the exact number of shares; and that nobody is allowed to embezzle or scramble for inheritances. The above stipulations will play an important role in building a socialist spiritual civilization and in upholding family peace and happiness.

The "inheritance law" is an important civil law. It is of great importance to all households and people, whatever their sex or age, and of immediate concern to everybody. In order to make the "inheritance law" known to all, it is necessary to extensively publicize it and to provide the people with comprehensive education about it. It is necessary to enable the masses to thoroughly and correctly understand the spirit and specific articles of the "inheritance law" and, by combining it with the relevant laws and articles, to give people an ideological education and a moral education. It is necessary to teach young people to sustain and magnify the Chinese people's traditional values of providing for and respecting the aged. Whether or not we will inherit, we should provide for and respect the aged in order to enable them to spend their remaining years in happiness. It is also necessary to encourage young people to have lofty ideals and strive to be independent, but not to count on inheritances, and to teach them not to forget their values upon seeing benefits or to ruin the moral character of the new generation of socialists and disrupt familial and societal peace by scrambling for inheritances. We believe that as a result of the in-depth and comprehensive education and the extensive and in-depth dissemination of the "inheritance law," the masses will definitely be able to master, abide by, and be familiar with it. In this way it can profit both the country and the people.

ENGINEER ON NUCLEAR INDUSTRY HISTORY, STRATEGY

HK170531 Beijing CHINA DAILY in English 17 Apr 85 p 4

[By Zhang Siguan, senior engineer of the China Nuclear Information Center]

[Text] The nuclear industry in China began in 1955, and the past 30 years have been the development of an independent and wide-ranging complex of nuclear facilities.

Today Chinese nuclear facilities include uranium geology and exploration, uranium ore mining and processing, the production of nuclear fuel elements, reprocessing of spent fuel, and a research and development programme both for nuclear weapons and for the peaceful uses of nuclear energy and other nuclear technology. There is now a whole contingent of scientific and technical workers in the nuclear field.

After the founding of the People's Republic, an institute of modern physics affiliated to the Chinese Academy of Sciences was established, where distinguished scientists such as Qian Sanqiang, Wang Ganchang and Zhao Zhongyao worked one after the other. Under their guidance a group of young researchers went into the field of nuclear physics.

In the later fifties a heavy water experimental reactor and cyclotron were built, and the Second Research and Design Institute of the Ministry of Nuclear Industry was founded. This was the first comprehensive research and design institute of nuclear engineering in China. Research at that time concentrated on the design of large reactors and on the chemical engineering technology needed for the reprocessing of spent fuel. Nearly 26 years of work have brought these projects to successful completion.

Progress has also been made in locating uranium ore and China now has its own uranium mines. Hydrometallurgical plants with competent productive capability are now operating and the nuclear industry is served by a series of research and design institutes and manufacturing companies.

In the 70s Chinese engineer accomplished some of the design and manufacture of pressurized water reactors and by the early 80s, the nuclear industry was engaging in a whole spectrum of activities. China's largest controlled nuclear fusion experimental Tokamak device "HL-1" successfully produced the first test plasma on September 26, 1984.

China's nuclear industry now faces a new period in its development. Work is to shift from military uses to serving the national economy. This strategic transformation was set in motion at the Third Plenary Session of the Eleventh Central Committee of the Communist Party of China in December 1978. This new strategy is divided into three stages.

The first stage is to speed up the development of nuclear energy to supply electricity to the southeast coastal area of China where it is currently in short supply.

The second is to expand the use of radio-isotope and irradiation technology in other fields, and the third is to raise the technical level of other industries by transferring the advanced nuclear technology originally developed to serve the nuclear industry to these other industries.

The open policy is an essential cornerstone of China's new strategy for the nuclear industry. Co-operation in science and technology and economic trade with friendly nations is needed on a long-term and stable basis. The purpose of China's policy is to develop the peaceful uses of nuclear energy and nuclear industry in general to the mutual benefit of people all over the world.

ARTICLE ON HISTORICAL CONTRIBUTIONS OF HE LONG

HK100254 Beijing RENMIN RIBAO in Chinese 8 Apr 85 p 7

[Article by Wang Zhen, Yu Qiuli, Huang Xinting and Wang Shangrong: "Making Great Achievements by Fighting Successively in Shanxi and Suiyuan and Liberating Northwest China -- Comrade He Long. During the Period of the Third Revolutionary Civil War"]

[Excerpts] It has been more than 3 decades since victory in the third revolutionary civil war -- the historic, decisive war of the Chinese revolution which has changed the course of events.

In those war years Comrade He Long, under the direct leadership of the CPC Central Committee and Comrade Mao Zedong, was commander of the Shanxi-Suiyuan Military Region, the Shaanxi-Gansu-Ningxia-Shanxi-Suiyuan Joint Defense Army, and the Northwest Military Region, was concurrently a member and second secretary of the Northwest Bureau Standing Committee of the CPC Central Committee, and was director of the Northwest Commission of Finance and Economy. He Long kept the strategy of the all-round situation in mind and was courageous in shouldering heavy burdens for the revolution. He rendered outstanding service for the cause of liberating the Chinese people.

Overcoming the Stubborn Enemy With Brilliant Strategy

During the period of the third revolutionary civil war, Comrade He Long, as major commander in chief of our Army in the Northwest, led our Army in successive battles against the KMT forces and directed many magnificent and dramatic scenes in the military arena with his outstanding talent in military affairs and excellent art of commanding.

While leading the construction in the rear, Comrade He Long attached particular attention to developing economic construction and cultural and educational undertakings in the base areas. On many occasions he presided over meetings on production, finance, and the economy and proposed the principle of lightening the burden on the masses, which was helpful to their recuperation and building up strength, in order to promote the development of production. He criticized the one-sided view in finance work of deviating from production and proposed that financial difficulties be solved by relying on the development of production so as to ensure supplies and stabilized finances and achieve the all-round development of agriculture, industry, and household sideline occupations. In addition he often attended work conferences on literature and art, and encouraged literature and art workers to organize themselves, to bring into full play the role of the pen, and to catch up with the victorious development of the military situation in fulfilling the party's general task. After the battle of Wenshui in 1945 he personally led the school attached to the joint defense troops stationed in Shanxi and worked concurrently as principal of the school. During the war of liberation this school followed the Army, covering all parts of Shanxi and along the banks of the Weishui, and later became the Northwest Military and Political College, which attracted thousands of progressive educated people and trained a large number of cadres for the revolutionary war at that time.

When Xian was liberated in May 1949, Comrade He Long took up the position of director of the Xian Military Control Commission on the orders of the Central Committee. Under the leadership of He Long as well as Jia Tuofu and others, the Military Control Commission promptly fulfilled the tasks of taking over administration and scored great achievements in restoring production, eliminating special agents and bandits, stabilizing public security, and unifying trade and finance, which made the ancient capital city take on a new appearance and become an important rear base for our Army in liberating the great northwest. Toward the end of 1949 Comrade He Long led the XVIIIth Corps to cross over the Qinling mountains and advanced to conquer the great southwest region. Thus, his fighting years for liberating the great northwest during the period of the third revolutionary civil war concluded. Referring to Comrade He Long's great contributions in building the rear areas in supporting the front during the war of liberation in the northwest, Comrade Mao Zedong compared He and Comrade Peng Dehuai with Xiao He and Han Xin, and described them as two powerful arms of the Central Committee when it maneuvered and fought in different parts of northern Shaanxi and as two excellent generals who commanded our Army to win continuous great victories in the northwest.

Comrade He Long was an outstanding strategist and revolutionary of our party. However in his lifetime Comrade He Long did not desire publicity for himself, and due to various reasons, many of his important historic activities during the period of the Third Revolutionary civil war were hardly known to people. Today, with great reverence, we have written this article in memory of this proletarian revolutionary of the older generation, and we hope that his lofty spirit of courageously shouldering heavy burdens for the revolution, regardless of personal gain, will forever inspire thousands upon thousands of successors to strive for socialist modernization with Chinese characteristics and to advance victoriously.

GUANGMING RIBAO ON BOOK ON INVASIONS OF XIZANG

HK130356 Beijing GUANGMING RIBAO in chinese 3 Apr 85 p 4

[Article by Xi Boshi: "Reviewing 'British and Russian Invasions of Xizang of Our Country'"]

[Text] The book "British and Russian Invasions of Xizang of Our Country" by Comrade Zhou Weizhou, recently published by the Shaanxi People's Publishing House, has quite comprehensively and systematically represented and commented on the history of the British and Russian imperialists' aggression against Xizang, on the southwestern border region of China, before 1919. Compared with previous works on relevant topics published in China, this book has the following special features:

1. The author has made use of a relatively wide range of relevant archives of the Qing Dynasty, including documents that have been published and those currently stored in the Ming and Qing Dynasties archives, as well as relevant historical documents in Chinese and foreign languages. The book relatively fully and accurately narrates the history of British and Russian aggression against China's Xizang and exposes the means, purpose, and consequences of their aggression. The author also provides a relatively detailed account of some issues that few previous monographs touched on, such as the issue of Britain's demanding the delimitation of a boundary between Xizang of China and British Kashmir.
2. Due to the limitations of the times, previous relevant monographs by Chinese researchers have not dealt much with the aggression by tsarist Russia against China's Xizang. By citing the findings of relevant studies in China and abroad in recent years, the author has exposed in detail the criminal activities of tsarist Russia in committing aggression against China's Xizang behind the camouflage of "explorations" and "religious missions," as well as the contention between Russia and Britain over Xizang.
3. A considerable portion of the book is devoted to highlighted descriptions of the courageous struggle by the Xizang people against the British and Russian imperialists, and it highly appreciates their patriotic deeds in the Tiekela battle and the Guyangze defense battle in resisting the invading British troops.
4. Proceeding from the historical materialist point of view, the author has made a new and relatively fair appraisal of some historical figures and events. For example, concerning the case of the 13th Dalai Lama, the author has fully affirmed his struggle against the British aggressors before 1905, but condemns his joining the British and Russians, as a consequence of his being deceived and induced by the imperialists, around the time of the 1911 revolution and his active involvement in the "Xizang independence movement" aimed at splitting the motherland. Based on an analysis of the Dalai group's class instincts and economic interests, the author points out the internal factors that resulted in the change of its stand.

On the case of Zhang Yintang, the author holds that Zhang was "a relatively sober-minded official in the late Qing ruling class who had been deeply influenced by capitalist reformist thinking and was quite clearly aware of imperialist aggression." His reform in Xizang was "an illusion of developing national industry and commerce and to follow the old capitalist road of the West, with the Qing Court's decadent political system and Xizang's feudal serfdom kept intact." As for Zhao Erfeng and his reform in Chuanbian, the author holds: "One should appreciate such a reform, which was aimed at consolidating the unification of the motherland and preventing further aggression against Xizang by the imperialists. At the same time, viewed from the measures taken, this reform played a relatively progressive role in safeguarding the unification of the motherland and undermining the decadent and savage serfdom of Xizang. However, since the Qing Government had adopted a policy of national oppression and discrimination in the course of its implementation, the reform failed to win support among the broad masses of Tibetan people."

In brief, the book "British and Russian Invasions of Xizang of Our Country," based on a host of historical facts, exposes the British and Russian imperialists' crimes of aggression and praises the indomitable struggle by the Tibetan people against the aggressors of modern times. This book can serve as relatively good teaching material on patriotism, and is well worth reading.

SHANDONG LEADERS WRITE INSCRIPTIONS FOR MAGAZINE

SK111137 Jinan Shandong Provincial Service in Mandarin 2300 GMT 10 Apr 85

[Text] This year's second issue of the GAO JIAO ZIXUE KAOSHI ZAZHI [HIGHER EDUCATIONAL EXAMINATION MAGAZINE FOR SELF-TAUGHT STUDENTS], published on 10 April, carries inscriptions on the province's higher educational work for self-taught students by Su Yiran, secretary of the provincial CPC Committee; Wang Jinshan, vice chairman of the provincial Advisory Commission; and Wang Zhongyin, secretary of the provincial Discipline Inspection Commission.

Comrade Su Yiran's inscription reads: Vigorously initiate the practice of becoming competent through self-education.

The inscription of Comrade Wang Jinshan reads: Attend to education for self-taught students, and make contributions to creating a new situation in making the people rich and Shandong Province prosperous.

The inscription of Comrade Wang Zhongyin reads: Strengthen guidance for self-taught students and make their examinations successful.

Since the initiation of examinations for self-taught students in the province last year, all leaders have paid attention to such work and the competent examination departments have assumed responsibility and worked conscientiously to guarantee the quality of the examinations, the National Examination Guidance Committee for Self-Taught Students introduced to the entire country, on three occasions, our province's experience in giving examinations for self-taught students. These inscriptions by the provincial leaders will inspire the broad masses of self-taught students and the educational departments to make continued efforts and greater achievements.

ZHEJIANG NPC DEPUTIES RETURN TO HANGZHOU

OW151325 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 12 Apr 85

[Text] Deputies from our province attending the Third Session of the Sixth National People's Congress returned to Hangzhou this morning after successfully winding up all agenda items. The two special planes carrying out the deputies landed at the Hangzhou airport around 1000. Greeting the returning deputies at the airport were Liu Zizheng, Shang Jingcai, and Yu Jiyi, vice chairmen of the Zhejiang Provincial People's Congress Standing Committee, and leading comrades of the provincial CPC Committee, the provincial People's Congress Standing Committee, and the provincial people's government. They shook hands with Xue Ju, Liu Dan, Xu Qichao, Kang Mingcai, and the other deputies.

Governor Xue Ju told the press at the airport: The session was very successful. The deputies carefully deliberated and discussed all motions and unanimously approved the resolution on the report on government work. They raised both hands to endorse the solution of the Hong Kong issue reached by the Governments of China and the United Kingdom through negotiations. The various resolutions and decisions of the session will have a tremendous bearing on the political and economic life in our country.

ZHEJIANG LEADERS WELCOME ANTARCTIC CREW MEMBERS

OW170941 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 15 Apr 85

[Excerpts] The provincial CPC Committee and government held a grand meeting in Hangzhou this afternoon to welcome the return of 27 crew members of our province from the Antarctic expedition and urge people throughout the province to learn from the heroic Antarctic expedition crew. Provincial and city leaders including Wang Fang, Xue Ju, Chen Fawen, Luo Dong, Li Debao, Zhong Boxi, and Wang Bangduo attended the meeting.

GUANGDONG REGULATES TABLOIDS MARKET MANAGEMENT

HK150941 Guangzhou YANGCHENG WANBAO in Chinese 10 Apr 85 p 1

[Report by Jun Mou: "Strengthen Market Management of Tabloids"]

[Text] The Guangzhou City Cultural, Public Security and Industrial and Commercial Administrative Bureaus today jointly issued the "Regulations on Strengthening Market Management of Tabloids, Books, and Magazines in Guangzhou City."

The regulations point out: First, from now on, market management of tabloids, books, and magazines will be exercised by cultural departments at various levels in cooperation with industrial and commercial administrative departments; second, collective or individual dealers selling newspapers and magazines wholesale or in bulk should apply to the urban or district industrial and commercial administrative bureaus for registration and business licenses; third, industrial, commercial, public security, and traffic departments should designate retailing places; fourth, the following books, newspapers, and magazines cannot be sold wholesale or retail: 1) those without registration certificates; 2) those without distribution certificates; 3) tabloids in the form of supplementary issues or selected pages and pictures from other newspapers and magazines without written approval by the publishing administration at the provincial level or above; 4) newspapers with contents and layouts which do not correspond to publication certificates or instruments of ratification; and 5) books, newspapers, and magazines imported by individual dealers, or books, newspapers, and magazines having reactionary or obscene contents; fifth, individual dealers selling newspapers and magazines of other provinces wholesale or in bulk must give samples of each issue to the cultural department concerned; sixth, printing units in the Guangzhou area must observe these regulations in undertaking printing business. Otherwise, they will be held responsible for the consequences and will be penalized.

GUANGDONG HOLDS ECONOMIC WORK CONFERENCE

HK160352 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 15 Apr 85

[Text] This afternoon Vice Governor Kuang Ji spoke at the provincial conference on economic work, which was held in Xinhui. He stated that to invigorate enterprises, it is necessary to carry out to the letter giving powers back to enterprises.

Vice Governor Kuang Ji pointed out: The policies and regulations of the State Council and provincial government on expanding enterprises' decision-making powers have not been completely implemented in many enterprises in our province. This has involved the problems of reform in departments in charge.

He demanded that all cities, prefectures and departments in charge must first conduct a serious and all-round inspection in accordance with the policies and regulations of the State Council and the provincial government. In light of the existing problems, they must put forward specific measures for further implementation.

Second, departments in charge and enterprises must carry out reform simultaneously. The government must be streamlined, powers must be delegated to lower levels, and government administration must be separated from enterprise management. Companies of an administrative nature cannot exercise unified control over qualified personnel, materials, products, supply, and marketing of enterprises and must operate as companies which provide services and give guidance so as to make these enterprises gradually assume sole responsibility for their profits and losses.

Companies which are economic entities must delegate powers to the lower levels and must ensure that each level has its own powers so as to arouse the enthusiasm of the companies and factories. In the future it is essential to strictly control newly established companies. Those competing with enterprises for powers and that are unfavorable to invigorating production in enterprises must, in principle, not be (?registered). Companies that have been established must be consolidated.

HUBEI MEETING STRESSES CORRECTING MALPRACTICES

HK161414 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 15 Apr 85

[Excerpts] The 14th meeting of the provincial People's Congress Standing Committee opened in Wuhan this morning. Han Ningfu, chairman of the provincial People's Congress Standing Committee, presided over the meeting and delivered a report on the spirit of the Third Session of the Sixth NPC. Vice Governor Wang Libin delivered a report on the situation of correcting new malpractices.

The meeting was attended by Li Fuquan, Zhang Xiulong, Tao Shuzeng, Jiao Dexiu, Tang Zhe, Zhang Jinxian, Shi Chuan, Lin Musen, Wang Zhizhuo, (Xu Caiyu), and Lin Shaonan, vice chairmen of the provincial People's Congress Standing Committee. Also present were Ma Liang, president of the provincial higher People's Court; Zhong Shuqin, chief procurator of the provincial People's Procuratorate; and responsible persons of various city and prefectural people's congress standing committees.

On behalf of the provincial government, Vice Governor Wang Libin delivered his report at this morning's session.

The report said: Through recent work, the province has achieved some fairly good results in correcting new malpractices. In particular, some prevailing malpractices have been weakened or have disappeared. We have basically checked such malpractices as arbitrarily giving bonuses and payment in kind, promoting people, increasing wages without careful consideration, and so on. However, we must not overestimate these results.

Proceeding from the situation that has been the subject of investigations, reports, and rectification by various localities and units, only a few of them have conscientiously carried out investigations and simultaneous rectification and correction of defects. There are also a few localities and units still doing work superficially and engaging in countermeasures against the policies of the higher authorities.

Although most of the units have carried out investigations, they have not done a good job in simultaneously rectifying and correcting defects, and their mentality is mainly one of a wait-and-see attitude and of fearing difficulties. Some of them even intend to put up with the malpractices and dismiss charges. Therefore, the task of correcting new malpractices is still very important, and we must continue to exert great efforts.

The report said: The provincial government has recently called the departments concerned together to analyze and study the recent work of correcting new malpractices. As its next step, the government has adopted measures in the following areas for continuing to resolutely correct and check malpractices that undermine reforms:

First, we should educate people about consciously acting in an in-depth manner. We should continue to grasp the practices of conscious investigations, rectification, and reports.

Second, we should eliminate and consolidate on a broad scale the practice of government organs at various levels and officials running businesses and enterprises. Cadres who hold government office are prohibited from running businesses or holding office in such economic entities as companies and centers.

Third, we should seriously implement the policy of combining a relaxed attitude with the practice of taking cautious steps, as well as the policy on stabilizing prices. We should resolutely check practices of arbitrarily hiking prices.

Fourth, we should check the irrational growth of consumption funds and strictly prohibit all units and individuals from arbitrarily increasing expenses and wages, giving bonuses, allowances, and payment in kind, and so on.

Fifth, we should strengthen our leadership and correctly enforce policies. We should also do a good job in the work of correcting new malpractices.

The report concluded: The present new malpractices are minor aspects in the good situation, but are problems in the course of progress. So long as we remain serious, act in accordance with the plans of the CPC Central Committee, State Council, and the provincial CPC Committee; adopt practical measures; and make unswerving efforts, it is entirely possible that we can correct and check these malpractices.

Further Report

HK170914 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 16 Apr 85

[Text] Yesterday afternoon and today, committee members attending the 14th meeting of the 6th provincial People's Congress Standing Committee seriously examined and discussed the report made by Vice Governor Wang Libin on the situation in correcting new unhealthy trends. They all held: The measures the provincial government has taken to deal with the new unhealthy trends are effective with good results. In the future, we must continue to take effective measures to resolutely correct the new unhealthy trends to guarantee smooth progress in our province of reform of the economic structure and the four modernizations.

Zhang Jinxian, vice chairman of the provincial People's Congress Standing Committee, said: The key to correcting the new unhealthy trends lies in boldly grasping and dealing with them. If we do not grasp them firmly and do not deal with them vigorously, the unhealthy trends cannot be curbed.

Zhang Xiulong, vice chairman of the provincial People's Congress Standing Committee, said: To correct the new unhealthy trends, we must strengthen education in discipline and stress serving the people. We cannot take only the interests of a small unit and individuals into consideration at the expense of the interests of the state and the people. Our People's Congress Standing Committee must give play to its supervisory role in this aspect and help the government do its work well.

In the course of their discussions, provincial People's Congress Standing Committee members, including (Duan Guojie), (Li Qinggen), and (Liu Houli), demanded: Publicity and education about the socialist legal system, people's concept of the legal system, and their conscientiousness in acting in accordance with the law should be strengthened to guarantee enforcement of the Constitution and Law.

XIZANG STATISTICS SHOW NEW ACHIEVEMENTS

HK280415 Lhasa Xizang Regional Service in Mandarin 0500 GMT 27 Mar 85

[Excerpts] On 26 March, the regional statistics bureau issued a communique on the region's national economic and social development in 1984. As a result of 1 year of hard work, the region has scored relatively great achievements in national economic and social development. Total industrial and agricultural output value was 806.51 million yuan, a rise of 14.71 percent, in terms of constant 1980 prices, over 1983. Average net income per peasant and herdsman was 317 yuan, an increase of 46.76 percent over 1983. At the same time, the urban and rural economy prospered, people's living standards showed a marked rise, and great progress was made in building spiritual civilization.

The main problems in national economic development in the region are, as before, lack of communications and transport and energy. There has been no great improvement in these respects. Economic results in the fields of production, construction, and circulation are very poor. There is serious loss and waste.

The communique says: Total agricultural output value in 1984 was 638.18 million yuan, an increase of 16.78 percent over 1983. Total number of livestock at yearend was 21.68 million, a rise of 1.4 percent.

Total industrial output value was 168.32 million yuan, an increase of 7.49 percent over 1983.

The communique says: There was a marked improvement in urban and rural living standards in the wake of the development of industrial and agricultural production. Average net income per peasant and herdsman was 317 yuan, an increase of 101 yuan over 1983. The region rose from 28th in 1983 to 20th last year, among the 29 provinces, municipalities, and regions, in average net income per peasant and herdsmen. According to a sample survey of 50 workers households in Lhasa City, on average each person had 752 yuan to spend during the year on living costs, a rise of 96 yuan over 1983.

Urban and rural savings deposits increased. The total figure at year end was 154.61 million yuan, an increase of 23.16 percent over the end of 1983. This included 126.322 million yuan in urban savings deposits, a rise of 28.91 percent. Peasant and herdsmen savings amounted to 28.37 million yuan, an increase of 2.79 percent.

There was a further improvement in housing conditions in urban and rural areas during the year.

The region's yearend population was 1,966,800, an increase of 35,400 -- 18.33 percent -- compared with the end of 1983.

YUNNAN CIRCULAR ON IMPORTANCE OF PRODUCING GRAIN

HK171501 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 16 Apr 85

[Excerpts] The provincial CPC Committee and the provincial people's government have recently issued a joint circular, demanding that while conducting mass discussion on getting rich through a 100 yuan increase, all areas must pay attention to grasping grain production well.

The circular says: Over the past month and more the provincial, prefectural, and county levels have sent some 110,000 cadres to rural areas; and mass discussion on getting rich through a 100 yuan increase has been unfolded within the whole province and has developed healthily. The situation is very good.

The circular emphatically points out: At present, a problem meriting attention is that of grain production. Since last winter the whole province has been dry over a long period of time and has been struck by frost and low temperatures. It is anticipated that output of spring-harvested grain will decrease by a relatively large margin. Some places have disregarded grain production in arranging for crops and have not even included increasing grain production and improving its quality in their plans for getting rich through a 100 yuan increase.

The tasks of placing orders for grain have not been generally carried out at lower levels, affecting peasants' plans for grain production. If our attention is not promptly drawn to this problem and if we do not rapidly solve this problem, a new situation in readjusting the crop structure irrationally and in an uncoordinated way is likely to appear.

This is not only unfavorable to the steady increase in grain production but also will be disadvantageous to the readjustment of the production structure. In some places, this will even cause unavoidable hardship for the masses. In view of this, the following circular has been written:

1. In accordance with Document No 1 of 1985 of the central authorities, it is necessary to resolutely, seriously, and completely readjust the rural production structure so as to make various aspects of production and all levels of the structure in rural areas develop rationally and in a coordinated way. This is extremely necessary and completely possible.
2. The serious implementation of the principle of never relaxing the grasping of grain production and of vigorously carrying out diversification is especially important in our province. Grain production and diversification rely on and promote each other. While developing industrial crop production, forestry, animal husbandry, sideline production, and fisheries, we must not disregard grain production. The province must strive to ensure a basic balance of procurement and marketing of grain.
3. It is essential to regard the development of grain production as an important content in the course of mass discussion on getting rich through a 100 yuan increase. All townships, villages, and households must carry out discussion and develop grain production. CPC committees and governments at all levels must regularly study the problem of grain production and must give full play to the role of agricultural departments and agricultural science and technology workers. Autonomous prefectures and counties must guarantee as far as possible the funds necessary for technology and facilities for developing grain production. We must make good preparations for current spring-sown crop cultivation and must do well in the later stage of spring-harvested crop field management.
4. The season is passing and time will not wait for us. All prefectures, autonomous prefectures, cities, and counties must immediately carry out an inspection and analysis of this year's grain production. When they discover problems, they must promptly take measures.

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In the course of inspection and analysis, they must sufficiently understand the inability to combat natural disasters and a situation of insufficiently steady production in our province. It is necessary to readjust some arable land for cultivation of industrial crops.

However, we must have a certain area of grain farmland to guarantee a steady increase in grain production. We must by no means blindly and greatly reduce the area of high-yield grain farmland.

In developing the production of industrial crops and other crops, we must teach peasants that, where possible, they should not use grain fields for cultivating other crops, and use as little grain farmland or good farmland as possible for other purposes.

5. Before spring-harvested grain and oil-bearing crops are stored in granaries, all prefectures and counties must quickly organize district and township cadres and grain departments to place orders with households for grain and oil-bearing crops as early as possible. This is an important link for stabilizing grain production. It is necessary to grasp it firmly and well.

The work teams and groups that go to rural areas must coordinate this with them. In view of the fact that placing orders is a new job, it is imperative to explain relevant policies and regulations to basic-level cadres and peasants.

6. It is imperative to make early preparations for expanding the cultivation areas of late fall crops.

In conclusion, the circular says: It is hoped that CPC committees and governments at all levels will surely strengthen guidance of grain production in the course of mass discussion on getting rich through a 100 yuan increase, to ensure the coordinated development of the readjustment of the agricultural production structure, and to ensure victory in the first battle.

GANSU MILITARY DISTRICT PROMOTES YOUNG CADRES

HK151121 Lanzhou Gansu Provincial Service in Mandarin 0430 GMT 12 Apr 85

[Text] In the course of party rectification, the CPC Committee of Gansu Military District has promoted to the reserves of the military district leadership at divisional level a number of young cadres who meet the criteria of the four transformations.

In the process of promoting leading cadres to the reserves, the CPC Committee of the provincial military district has changed from its former mysterious method to the present one of soliciting opinions from various sources. The committee has paid attention to promoting young, capable, and innovative cadres.

Provincial Military Command (Zhou Yuechi) once found an outstanding cadre in a unit. But he also had obvious weak points. After thorough consideration, he held that this cadre was devoted to his work, was full of vitality, and was bold in making innovations. Therefore, the cadre was listed among the leading cadres of the reserves.

During the process of selecting leading cadres to the reserves, the CPC Committee of the provincial military district also attaches great importance to training the cadres. It does not accommodate itself to the mistakes made by them, so as to make them become qualified commanders of the PLA units at an earlier time.

LI XUEZHI CONDUCTS NINGXIA GRASS-ROOTS STUDY

OWL61421 Beijing Domestic Service in Mandarin 0200 GMT 13 Apr 85

[Text] Leading party and government leaders as well as cadres at department and bureau level in Ningxia Hui Autonomous Region have joined cadres and masses of 115 enterprises and 18 construction projects in studying ways to deal with the new situation and problems arising from reform.

Li Xuezhi, secretary of the regional party committee, conducted investigations at the Yinchuan nitrogenous fertilizer plant and found that using coal powder in place of lump coal as fuel in synthetic ammonia production could reduce the cost of each metric ton of synthetic ammonia by 30 yuan. With an annual capacity of 20,000 metric tons, the plant could save 600,000 yuan in production cost each year. This method has yielded good results after a 2-month trial period.

Inspired by the regional party and government leaders, more than 100 cadres have gone to the grass-roots units to conduct solid investigations and studies and help enterprises carry out reforms. At present more than 40 cadres have submitted written reports to the regional party committee. Some of them have written investigation reports containing analyses of the actual situation and including some proposals.

QINGHAI TOWNSHIP GOVERNMENTS ESTABLISHED

HK120151 Xining Qinghai Provincial Service in Mandarin 1100 GMT 10 Apr 85

[Text] The province has completed the work of separating government administration from commune management and that of establishing township governments. Through reform of township political power, the province has set up 331 townships, 31 towns, and 4,303 villagers' committees and herdsman's committees. In addition, in light of the characteristics of many nationalities living in compact communities, the province has set up (?44) nationality townships, which account for 16 percent of the total number of townships.

After the separation of government administration from commune management, the township governments and villagers' committees have changed the past situation of not separating the party from the government, not separating government administration from enterprise management, and not defining duties. They have defined the scope of duties and powers and tasks of work, have established the system of personal responsibility, and have set up township and town enterprises. The average age of the leadership groups of the townships and villages has generally dropped and their cultural standards have been remarkably enhanced.

Moreover, the number of grass-roots cadres has been reduced and the economic burdens on the masses have been lightened. The number of village cadres is 38 percent less than the number of brigade and production team cadres in the past. The amount of fixed subsidies has dropped by 29.5 percent. Some counties have employed people as township and town cadres who are not divorced from production.

SHAANXI MEETING DISCUSSES PARTY RECTIFICATION

HK140315 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 13 Apr 85

[Text] The provincial conference on party rectification which concluded in Xian yesterday proposed that strengthening party spirit, correcting new unhealthy trends, strengthening discipline, and promoting and ensuring reform be grasped as the focal points in second-stage party rectification.

Li Xipu, deputy secretary of the provincial CPC Committee and deputy director of its Party Rectification Office, presided at the meeting and made a speech.

The meeting held: Although the new unhealthy trends all wave the signboard of invigoration and reform, they in fact mean pursuing the private interests of individuals or small units, throwing the economy into confusion, and hampering and sabotaging reform. Most urgent and important at present is to correct the new unhealthy trends by means of party rectification.

At the same time, we must correct the trend of failing to stress discipline, so as to clear away obstacles and interference to reform, create excellent political conditions and social environment for reform, and promote and ensure its healthy development.

The meeting stressed: During second-stage party rectification, it is necessary to grasp as outstanding issues stepping up education in party spirit, style, and discipline; enhancing party members' ideological and political qualities; and overcoming the phenomena of failure to stress party spirit and of slack discipline.

We must teach party members to persistently serve the people wholeheartedly in all circumstances. They must certainly not look for money in everything. They must truly have ideals, morality, culture, and discipline, and spontaneously resist unhealthy trends of all kinds.

The meeting demanded that party organizations at all levels strengthen leadership over second-stage party rectification, unfold the work in a creative way, and fulfill all of its tasks with high standards and quality.

The meeting was attended by responsible comrades of all prefectures and cities, the provincial organs, and the northwest (?situation) group of the Central Commission for Guiding Party Rectification, totaling 120 persons.

XINJIANG OFFICIAL URGES ENTERPRISE DEVELOPMENT

HK150701 Beijing NONGMIN RIBAO in Chinese 2 Apr 85 p 2

[Article by Li Jiayu, secretary of the Xinjiang Uygur Autonomous Region CPC Committee: "Develop Town Enterprises by Using Favorable Natural Resources"]

[Text] Although town enterprises in Xinjiang have achieved some development, they are backward when compared with fraternal provinces and regions. The reasons are: Subjectively, leading party and government departments at every level in Xinjiang are slow in discovering things and taking action, and they neither have sufficient understanding of the important significance of town enterprises nor adopt effective measures; objectively, the industrial foundation and technical forces in Xinjiang are weak and communications and transportation are difficult, and this exercises certain restrictions on the development of town enterprises.

We admit we are backward, but we are not content with being backward. Since 1984, principal leading comrades at all levels of party and government in Xinjiang have adopted some effective measures for the development of town enterprises, enabling town enterprises in the whole region to make greater progress than before. The total income of the town enterprises in the whole region has been increased by 47.1 percent over last year, and the total industrial output value of the town enterprises has been increased by 81.4 percent over last year.

This year, new development tendencies have also emerged in town enterprises in the whole region. Party and government leaders at every level have begun to put town enterprises in a very important position in rural work and grasped them as important measures to realize the doubling of agriculture, restructure the production structure in rural areas, and build up socialism with Chinese characteristics; we have broken with the original conventional practices of shutting the door against the world and stressing "becoming self-supporting in three fields," and we have carried out cooperation with units both inside and outside the region and actively introduced technology, capital, equipment and talented people from advanced provinces and regions; the whole autonomous region has held talks with other provinces and cities over more than 1,000 proposed items and has reached agreement on 200 items; the enthusiasm of peasants and herdsmen for running enterprises has been unprecedentedly high and the surplus labor and capital in rural areas have begun to be transferred from crop cultivation to rural and tertiary industries; the attitude of all trades and professions toward town enterprises has undergone great changes, and they have actively supported the development of town enterprises in the fields of policy, capital, technology, information, and so on.

Of course, this progress is not even worth mentioning. However, from this small progress, we can see hope as well as bright prospect for the development of town enterprises in Xinjiang. The frontier minority areas with underdeveloped economies not only need to vigorously develop town enterprises but they also have the ability to vigorously develop town enterprises. This is the only way for the frontier minority areas to change their backward economic conditions.

Considering the actual conditions in Xinjiang, to enable town enterprises to move speedily from the present starting phase to the phase of great development, we should grasp well the following: It is necessary to continually improve understanding to effect fundamental changes in guiding ideology.

In many, many fields we have lagged behind the advanced areas, but the fundamental aspect is that we do not have sufficient understanding of town enterprises, cannot see their prospects, and do not have great determination and effective measures. Therefore, the regional CPC Committee and CPC committees in every prefecture, city, and county should all place developing town enterprises on the important agenda. The main party and government leaders at every level, in particular the responsible leading comrades at county level, should view the overall economy, spend most of their energy on readjusting production structures in rural areas and developing town enterprises, and carry the work through to the end from the development planning, the determination of specific items, and the raising of funds to the training of talented people to increase efficiency. Meanwhile, it is necessary to organize departments concerned in planning, industry, commerce, supply and marketing, finance, transportation, industrial and commercial administration, and so on to actively support town enterprises.

Second, it is necessary to proceed from reality to fully display the advantages in Xinjiang. In Xinjiang, the natural resources are abundant; energy resources are sufficient; and it is rich in melons, fruits, grapes and animal products of good quality, thereby providing very favorable conditions for the development of town enterprises. In the readjustment of rural production, we should stress development of food processing, forage processing, melon, fruit, and grape processing, animal product processing, construction material trade, energy resources, mining and mineral products processing, commerce, communications and transportation, catering trade, economic information, technical consultation, and other trades. Processing the side-line products from agriculture and animal husbandry should develop from coarse processing to refining processing to provide medium and high grade products for urban markets. At the same time, it is necessary to suit the needs of the grain transformation to carry out forage processing and promote the great development of animal husbandry.

Third, it is necessary to grasp well the exploitation of intellectual resources and actively train and introduce talented people. In the final analysis, the competition of town enterprises is a competition of talented people. If town enterprises cannot attract large numbers of talented people and skillful craftsmen, their products cannot possibly be competitive. Therefore, it is necessary to grasp the exploitation of intellectual resources as a key measure for developing town enterprises.

Inside the autonomous region, it is necessary to try by every means to attract technical personnel and skillful craftsmen from the advanced provinces and regions to spread technology among town enterprises in Xinjiang, train apprentices, conduct technical guidance and contact universities and colleges in the interior for training talented people for town enterprises in our region.

Our Xinjiang is a region where the economy is underdeveloped, and we want very much to carry out cooperation with all the coastal provinces to effect the "mutual assistance between the west and east" and to jointly exploit the natural resources in Xinjiang.

COURT DESIGNATES JUDGES IN LIU MURDER RETRIAL

OW180325 Taipei CNA in English 0244 GMT 18 Apr 85

[Text] Taipei, April 17 (CNA) -- The Taiwan High Court Wednesday designated a three-judge panel headed by Huang Chin-jui for the retrial of two reputed gangsters on the murder of Chinese-American writer Henry Liu.

The Taipei District Court Tuesday handed over the Liu murder case to the high court for retrial in accordance with this nation's code of criminal procedure, which gives the district court handing down a death sentence or life imprisonment the authority to do so even in the absence of an appeal by the convict.

Chen Chi-li and Wu Tun, reputed leaders of the underworld Bamboo Union Gang, were sentenced to life imprisonment April 9 for killing Henry Liu at the latter's residence in Daly City, California, last Oct. 15. Tung Keu-sen, the third accused in the murder case, is a fugitive reportedly in the Philippines.

Judge Liu Ching-yi, second member of the high court panel who will preside over the investigation session of the retrial, is reading the files of the Liu murder case. He will decide the date for the retrial session and conduct the investigation according to the code of criminal procedure. The Taiwan high court will appoint the third member of the judge panel after the investigation session.

INTELLIGENCE OFFICER SAYS NOT GUILTY IN LIU CASE

OW170953 Taipei CHINA POST in English 13 Apr 85 p 12

[Text] Maj. Gen. Hu Yi-min, former deputy director of the Intelligence Bureau of the Ministry of National Defense, yesterday pleaded not guilty to the murder of Chinese-American writer Henry Liu on grounds that he was only acting on orders given by his Director Wong Hsi-ling.

Hu said in court that his only involvement in the case was to have accompanied Wong to a dinner with Bamboo Union Gang leader Chen Chi-li on Aug. 2 last year and to have asked for Henry Liu's picture, address, and other information from a department of the bureau and given them to Wong. Wong later gave this information to Chen Hu-men to deliver to Chen Chi-li.

Hu said an intelligence official is not supposed to question their superior's orders and therefore he did not have the slightest idea for what purpose Liu's data would be used.

Hu also admitted in court that he arranged, at Wong's request, for Chen Chi-li and another Bamboo Union member Shuai Yueh-feng to receive training at a center of the Intelligence Bureau. He said he went to the center twice, once with Wong, to visit Chen Chi-li and Shuai Yueh-feng during their four-and-a-half-day training session on Yangmingshan. He reiterated that he was with Wong all the time during his one-hour visit and did not hear Wong's alleged order, to kill Henry Liu, as stated by Chen Chi-li.

"I cannot accept the unfair charge of 'assisting in a homicide' as indicated in the military prosecutor's indictment issued on March 26," said Hu, a graduate of the Central Police Academy.

Hu's account of conversations during the dinner party with Chen Chi-li coincided with Wong's, that Wong only replied "Let's talk about it later," to Chen's suggestion that Henry Liu should be "given a lesson."

Chen's suggestion, however, came after Wong's reference to Liu as a person who benefited from the nation but still did things to damage the image of the country and President Chiang Ching-kuo. Hu said he first heard Liu's name at the dinner party, and had since then never heard any mention of the 52-year-old Taiwan-educated writer and journalist.

Hu's lawyer, Wu Chien-chang, said the military prosecutor's indictment against Hu contains insufficient evidence and the Maj. Gen lacks a convincing motive for participation in the murder. "To obey orders given by superiors is a soldier's responsibility. I don't see why Hu is guilty just because he followed instructions from Wong to take part in a dinner party and to collect information on Henry Liu," Wu said. Hu should not be responsible either from a legal or moral point of view, Wu added.

Wu urged the court to be more careful in its consideration of Chen Chi-li's accounts of the murder because they are contradictory. He quoted Chen as saying Wong gave the order that Liu be killed, so how could he change Wong's order to just "teaching him a lesson" without Wong's consent. And why did Wu Tun murder Liu instead of giving him a lesson, as allegedly requested by Chen?

Hu asked the court to return a verdict of innocence because he had "done nothing inappropriate."

Debate on Case Ends

OW171141 Taipei Domestic Service in Mandarin 2300 GMT 12 Apr 85

[Text] Wong Hsi-ling, former director of the Intelligence Bureau and co-accused in the case of murder of Liu Yi-liang, writer of Chinese origin, admitted at the military tribunal on 12 April that in October last year he learned of the murder of Liu Yi-liang by Chen Chi-li, defendant in the same case, and others, but did not immediately report the matter to the higher authorities. He said that this was his biggest mistake, and that if he had reported the matter to the higher authorities, he would not be standing trial today.

In the ensuing debate, based on Wong Hsi-ling's statement that he was aware of the matter after its occurrence, and that he did not report or expose it, the military prosecutor maintained that Wong Hsi-ling is responsible for the crime of joint murder on account of his uncertain deliberateness and indifference toward Liu's murder.

The higher tribunal composed of five martial law colonels from the three armed services opened the court session for the second time on 12 April. After 4 hours of investigations of facts and evidence, and 3 and 1/2 hours of extended debate, the case was closed for debate. Sentences will be given as scheduled.

Intelligence Chief's Grudge

OW170847 Taipei CHINA POST in English 13 Apr 85 p 12

[Text] Vice Admiral Wong Hsi-ling had a personal motive for ordering the slaying of Henry Liu, military prosecutor Wang Hui-jau told the court in a summary of his reasons for charging Wong with murder.

Speaking at the end of the investigatory session at around 2:15 p.m. yesterday, the prosecutor said that although the letter which spoke of a grudge between Wong and Henry Liu had never been found, he believed reliable witnesses who had testified to the existence of such a note.

It was extremely unlikely that such a letter would ever be found, the prosecutor said, adding that he had every confidence in the statements of witnesses who testified to hearing Wong talk about it.

The prosecutor gave three reasons for his belief that Wong Hsi-ling was guilty of the murder of Henry Liu. Why, he asked, if Wong did not want Liu killed had he provided Chen Chi-li with his information?

Henry Liu's work as an alleged double agent became known only several weeks after his death, and even then the reports were conflicting, the prosecutor said. In these circumstances, how could Chen Chi-li have known of Liu's alleged duplicity and taken the initiative in requesting information on the writer, the prosecutor asked.

As for Wong's confessed agreement to Chen's suggestion to teach the writer a lesson, the prosecutor pointed out that among gangs these words imply more than would be understood in an ordinary conversation.

Thus Wong's agreement, without offering explanatory provisos to the gangster that Liu should not be killed, indicates his intent to kill Liu, the prosecutor stated.

Thirdly, the prosecutor concluded, Wong should have arrested Chen Chi-li as soon as he learned of his involvement in the murder during a dinner on October 24, three days after Chen's return from the U.S.

INDIRECT TRADE WITH MAINLAND SOARS IN 1984

OW151322 Taipei CHINA POST in English 12 Apr 85 p 12

[Text] Taiwan's indirect trade with mainland China soared by a substantial 125 percent to amount to US\$550 million in 1984, and is expected to reach the US\$1 billion mark this year, the UNITED DAILY NEWS reported yesterday.

Quoting an official report, the newspaper said Taiwan exported US\$430 million worth of products to mainland China through traders in Hong Kong, Japan, Singapore and other nations last year, showing a jump of 170 percent from the previous year.

Indirect imports from mainland China amounted to US\$130 million in 1984, up 40 percent from 1983.

Businessmen in Taiwan are not allowed to deal with mainland China, but trade between the two sides through third nations and smugglers has been brisk. Taiwan's prime export items to mainland China include man-made fiber, yarns, household electric appliances and motorcycles. Mainland China sold fish, wool, mining products and herbal medicines to Taiwan.

The report said mainland China imports Taiwan products chiefly to create a "false aura of communication" between the two sides. It also hopes to obtain market information on Taiwan and to reprocess low-priced Taiwan products, it added.

The report pointed to increasing economic competition from mainland China which has made every effort to promote foreign investment on the mainland. Industries promoted include food, machinery, electronics, building materials and other light industries.

Mainland China has not yet been granted preferential duties by the U.S., but its exports to that country amounted to US\$15 billion last year, up 31 percent from 1983, equivalent to the growth rate recorded by Taiwan.

Mainland China is competitive with Taiwan in woman's sweaters, men's coats, men's sportswear, plastic hand bags, and wooden furniture, the report said.

Continued Trade Urged

OW151306 Taipei CHINA POST in English 12 Apr 85 p 12

[Text] Local economists have urged the government not to prohibit local manufacturers from doing business with mainland China, but rather to provide them with comprehensive information to reduce the risks involved in such trade.

They said the government is incapable of severing completely indirect trade between Taiwan and mainland China, nor should it do so. What the government should do is to guide businessmen involved in such trade to help them avoid over-reliance on mainland markets, they said.

Dr Liu Tai-ying, president of the Taiwan Institute of Economic Research, said Japan, which restricts its exports to mainland China to 10 percent of the total, is a good model to follow.

In view of the instability of mainland market, Liu suggested individual manufacturers be restricted in their exports to that market to 30 percent of their total exports. Exporters could be required to register their exports to mainland China to facilitate the drafting of government directives, he added.

Li estimated Taiwan's trade with mainland China in 1984 at US\$1 billion, some three percent of its total exports, although official statistics showed the trade amounted to only about US\$550 million. Liu anticipated a rapid increase in the trade in the future.

Chao Kang, a division chief of the Chung-hwa Institution for Economic Research, said it is only "pragmatic" for Taiwan to trade with mainland China. "If we stop doing business with mainland China then South Korea and other nations will rush for the orders we have discarded," he said.

He said the government should provide local businessmen with detailed information about mainland markets to help them avoid over reliance on these markets, thus reducing the risks involved.

The government prohibits trade with mainland China because of concerns that the mainland could place large orders through traders in Hong Kong and Singapore and then renege, triggering a financial crisis for Taiwan's exporters and instability on the island.

HONG KONG SEEN TECHNOLOGY SMUGGLING CENTER

HK140420 Hong Kong SOUTH CHINA MORNING POST in English 14 Apr 85 p 33

[By Robert Mayerson]

[Text] Cumbersome official procedures for shipping high-technology products to China are forcing exporters to seek legal loopholes -- and turning Hong Kong into a nerve centre for technology smuggling. Local manufacturers and dealers in sophisticated electronic machinery, particularly computers, say the delays involved in obtaining approval for exports of these products to China are costing them millions of dollars in lost business. And they add that the rules are ineffective in preventing the transfer to China of technology and equipment which could have military applications. In fact, diplomatic sources say, Hong Kong may be a centre of technology smuggling, not only to China but also to the Soviet Union. "The Chinese are generally above-board, but the Russians know it is illegal and their operations are more clandestine and therefore harder to detect," said a consular official who declined to be identified. "You have the basis in Hong Kong to support this sort of business -- there is excess money floating around; there are people looking for opportunities to make a quick buck; there is the commercial and technical know-how and regulation is relatively loose. "This is a good place for the Russians, because everybody is looking at exports to China and not at the Soviet Union or Eastern Europe. There are ships leaving for Vladivostok all the time." He added, however, that the Customs and Excise Department does a reasonably effective job of policing strategic commodity exports and said hi-tech smugglers may arrange their deals here and actually load the goods in the Philippines or Indonesia, where export controls are less stringent.

In fact the Customs Department, which co-operates closely with U.S. and other Cocom-member nations' authorities, has been responsible for initiating 19 prosecutions for unlicensed exports of strategic commodities since the effort began in earnest in 1983. Fines levied in the six cases in 1983 totalled \$26,500; last year's 10 cases brought in \$799,500 in fines and \$103,000 in fines were levied in three separate cases in the first two months of this year. A Customs Department spokesman said most of the unlicensed shipments intercepted covered computers and computer parts and were destined for China and other Asian countries. Nevertheless, the diplomatic source said, customs resources assigned to export control are limited and it is very difficult for a customs inspector to pick out the parts for sophisticated computer intended to guide nuclear missiles from a shipment of innocent electronics products.

The export of strategic commodities -- mostly high-technology products which have possible military applications -- from Western nations to communist states is governed on a case-by-case basis by the Paris-based Coordinating Committee for Multilateral Export Controls, known as Cocom. The organisation groups Japan and the NATO countries -- and its rules cover Hong Kong through the territory's connection with the United Kingdom. Cocom's most serious efforts are directed at the Soviet Union, known to go to great lengths to acquire examples of the latest developments in computers and electronics.

But its strictures also cover China, which is eager to import technology to modernise its fast-developing industrial sector. China reportedly plans to spend nearly \$8 billion on advanced Western technology imports this year. And in line with that huge volume of potential business, Cocom is ready to change its ways. At a meeting in February, Cocom representatives agreed to set a May 1 deadline for coming up with proposals to speed applications for export licences to China. And several ad-hoc groups were set up to study technical problems involved in easing the rules.

But Hong Kong exporters of high-technology products say they see no sign of improvement so far. Depending on the level of technology involved, exporters say, approval can take as long as six to nine months -- and by that time a sale may well be lost. The application process is long and complicated. If an export licence for electronic equipment is applied for in Hong Kong, the exporter must first contact the Post Office's Telecommunications Branch. If that office decides the product in question is a potentially-strategic commodity, he will be directed to the Trade Department, which in many cases sends the application on to the British Department of Trade. The UK authorities then forward the documents to Cocom in Paris.

A spokesman for the Hong Kong Trade Department said 150,000 licences covering the export of strategic commodities were issued last year, but the department declined to give any figures for the number of cases referred to the UK.

A piece of equipment manufactured in another Cocom-member country may be exported to China under a licence from the country of manufacture, and many Hong Kong agents prefer to take that route. Said Edmond Chan, an engineering manager at China Data Resources, the local distributor for equipment made by Texas Instruments in the U.S. and Systime Ltd in the UK: "Normally the time taken will be longer if we go through the Hong Kong Government. We might as well by-pass the bureaucracy in Hong Kong and go through the U.S." But even so, he added, "for the kind of equipment we normally deal with, it takes six to nine months. And for some equipment with strategic value which could have military uses it might take even longer." The regulatory requirements can mean additional months of delay before an application is even filed. According to Robert Carroll, China trade manager for the Apple Computer division of Gilman Office Machines, the information required on computer export application can be so detailed that the task must be handed over to a research team at the home factory. The agent must supply not only details of the product's end-user and its intended application, but also technical specifications of the computer's capabilities. "We have put in only a few applications," Mr Carroll said, "and we have come back with a 'computer parameter form.' We're trying to get those forms analysed. I've sent them to the manufacturer, but even they don't understand it."

These delays can cost money. "Several times I've had customers in Beijing say 'My delivery must be within a month; if you can't do that I'll go somewhere else'," said Mr Max Yang of Hewlett-Packard Asia. "I tell them to go somewhere else." The problem is that there are other places for China customers to go.

For one thing, the biggest computer manufacturers, like giant International Business Machines, seem to have an advantage with the licensing authorities. "They have a good record and the U.S. Government believes they are not likely to jeopardise a big volume of business with China by selling equipment carelessly," said a China trader. "Therefore their applications are processed more quickly."

Computer industry representatives also agree that manufacturers based in some Cocom-member countries -- especially Japan and France -- have an easier and quicker time with the strategic commodities export procedures. "The French and Japanese seem to have some kind of assistance from their own governments," said China Data Resources' Mr Chan. Added Mr. Yang: "Japan can deliver faster than Hewlett-Packard. That's a fact."

Chinese institutions which want supplies of computers or other hi-tech equipment without waiting for the cumbersome licence application process to run its course, can also take advantage of the largest loophole -- Hong Kong distributorships.

U.S.-made computers which must be exported to China under case-by-case licensing arrangements are often sold in Hong Kong under a distributor's licence, where controls on the identity of the end-user are more relaxed.

"A sale is a sale," said one dealer. "If someone walks into my office and wants to buy some computers, I don't have to ask what he is going to do with them. If I think the equipment is bound for China I will tell the customer about the licensing procedure. But I believe many of the computers we sell in Hong Kong end up across the border -- and without licences."

An American China trader who was commissioned by a Chinese factory to acquire some technical equipment from the U.S. said she ended up advising her clients to break the rules. "I tried to buy the equipment in the U.S. but we couldn't wait a year. I knew the shipment would eventually be approved anyway. So I told the factory to buy the equipment from a distributor in Hong Kong and carry it back," she said.

Added a local computer manufacturer. "People going up to Beijing can just take a computer as personal baggage. There's no problem."

A final loophole is growing larger every day. The increasing number of China-related companies and Chinese institutions in Hong Kong is obviating the need for exports of high-technology products to China. "The Chinese can just buy what they need in Hong Kong and use it here," said the consular source. "And as we get closer to 1997, the application of Cocom rules to Hong Kong in 1996 will be in China the next year without ever being exported."

PRC TO STOP 'PARALLEL GOODS' FLOODING HONG KONG

HK150414 Hong Kong SOUTH CHINA MORNING POST in English 15 Apr 85 p 1

["South China Beat" column by Ophelia Suen: "Secret Trade Deals Vetoed"]

[Text] Guangzhou, Apr 14 -- Stringent measures to prevent "parallel goods" from flooding the Hong Kong and Macao markets are to be adopted at the 57th Chinese Exports Commodities Fair. The official directive was revealed in a press release issued today, the eve of the opening of the fair in Guangzhou. Parallel goods -- items exported mainly to Hong Kong and Macao through unofficial channels without documentation -- are seriously eroding profit margins of established traders in China who buy and sell through the country's state-run agents.

The deals, which are understood to have the tacit approval of officials at the provincial level, have also resulted in provinces undercutting each other in a bid to realise valuable foreign exchange from overseas markets to help fund local developments.

Hong Kong and Macao have been specifically named as the two major markets for such goods. One source said the difference between the official price and that of parallel goods may be as much as HK\$60,000 per tonne for dried scallops.

Meanwhile, officials in Guangzhou were today busy with last-minute preparations for the fair, which opens at 9 a.m. tomorrow. The fair will run until May 5 and is expected to draw at least 25,000 visitors to Guangzhou, many of them merchants from Hong Kong and Macao.

Temporary reception desks have been installed in major hotels in the city to cope with the flood of traders. Five-star establishments such as the China Hotel, the Garden Hotel and the White Swan were fully booked months in advance.

The fair will draw trade delegations from 63 units in various parts of China.

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